

STATE OF NEW MEXICO

SANTA FE COUNTY

**Financial Statements and
Other Financial Information**

(With Independent Auditors' Reports Thereon)

Year Ended June 30, 2008



Barracough & Associates, P.C.
Certified Public Accountants & Consultants

STATE OF NEW MEXICO
SANTA FE COUNTY

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"23 Years of Excellence"



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INDEPENDENT AUDITORS' REPORT

Mr. Hector Balderas, State Auditor
and
County Commissioners of the
State of New Mexico, Santa Fe County:

We have audited the accompanying basic financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Santa Fe County, New Mexico (County), as of and for the year ended June 30, 2008, which collectively comprise the County's basic financial statements as listed in the table of contents. We have also audited the financial statements of each of the County's non major governmental and fiduciary funds presented as supplementary information in the accompanying combining and individual fund financial statements and schedules as of and for the year ended June 30, 2008, as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County, as of June 30, 2008, and the respective changes in financial position, cash flows and the budgetary comparison for each major fund for the year then ended in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of each non major governmental fund, the fiduciary funds of the County, as of June 30, 2008, and the respective changes in financial position and the respective budgetary comparisons for the remaining major governmental funds, the enterprise funds and the non major governmental funds for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Barraclough & Associates, P.C.
(Continued)

In accordance with *Government Auditing Standards*, we have also issued our report dated November 5, 2008 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis on pages 3-15 is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the County's basic financial statements as listed in the table of contents and each of the County's non major governmental and fiduciary funds and budgetary comparisons in the accompanying combining and individual fund financial statements as listed in the table of contents. The schedules listed as supplemental information and other supplementary information in the table of contents are presented for the purposes of additional analysis and are not a required part of the basic financial statements of the County. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as is required by the US Office of Management and Budget (OMB) Circular A-1 33, *Audits of States, Local Governments, and Not-For-Profit Organizations*, and is not a required part of the basic financial statements. The accompanying financial data schedule is presented for purposes of additional analysis required by the Housing and Urban Development and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements, and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

A handwritten signature in cursive script, appearing to read "Barraclough & Associates, P.C.", is written in dark ink. The signature is fluid and somewhat stylized, with the letters of "Barraclough" and "Associates" being more prominent and connected.

November 5, 2008



SANTA FE COUNTY

MANAGEMENT'S DISCUSSION AND ANALYSIS – Unaudited

JUNE 30, 2008

As management of Santa Fe County (County), we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended June 30, 2008. This Management Discussion and Analysis represents the current year results for the fiscal year ending June 30, 2008, and is intended to be read in conjunction with the County's Financial Statements.

Financial Highlights

- The assets of the Santa Fe County exceeded its liabilities at the close of the fiscal year by \$226,168,280.
- The County's total net assets increased by \$49,066,456, primarily due to increases in the business-type activities net assets and an increase in capital assets.
- As of the close of the current fiscal year, Santa Fe County governmental funds reported combined ending fund balances of \$169,713,920, an increase of \$15,110,474 in comparison with the prior year. Approximately 23% of this total amount or \$38,833,755 is available for spending at the government's discretion.
- Santa Fe County's total long term debt increased \$11,301,033 during the current fiscal year compared to the prior fiscal year. The key factors in this increase were the debt issued for the General Obligation Bonds.

We believe this written analysis and the accompanying financial reporting will indicate to the reader that Santa Fe County is in good financial health. Indicators to the readers such as bond ratings, fund balances, cash on hand and budget management, will reflect a positive financial direction and management.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the County's basic financial statements. The County's financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the County's finances, in a manner similar to a private-sector business.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities. All of the funds of the County can be divided into three categories: governmental, proprietary and fiduciary funds.

Governmental funds. All governmental fund types are accounted for on a spending flow measurement focus.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside of government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the County's own programs.

Proprietary funds. The County maintains four different types of proprietary funds. Enterprise funds are used to report the same functions presented as Business-type activities in the government-wide financial statements. The County uses enterprise funds to account for Water, Housing Authority, Regional Planning Authority, Jail and Home Sales.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and the fund financial statements.

MANAGEMENT'S DISCUSSION AND ANALYSIS
 JUNE 30, 2008

The County as a Whole

As of June 30, 2008, and 2007, net assets are as follows:

	2008			2007		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
ASSETS						
Current and Other Assets	\$ 189,612,250	\$ 24,799,802	\$ 214,412,052	\$ 172,637,478	\$ 22,437,892	\$ 195,075,370
Capital and Non-Current Assets	94,933,389	61,484,495	156,417,884	69,254,692	44,346,980	113,601,672
Total Assets	284,545,639	86,284,297	370,829,936	241,892,170	66,784,872	308,677,042
LIABILITIES						
Current Liabilities	17,835,218	2,916,666	20,751,884	16,381,493	2,584,986	18,966,479
Long-Term Liabilities	88,527,947	35,381,825	123,909,772	76,544,043	36,064,696	112,608,739
Total Liabilities	106,363,165	38,298,491	144,661,656	92,925,536	38,649,682	131,575,218
NET ASSETS						
Invested in capital assets	30,223,432	24,647,903	54,871,335	24,256,510	6,795,016	31,051,526
Restricted	106,382,250	2,249,600	108,631,850	50,320,041	2,387,579	52,707,620
Unrestricted (deficit)	41,576,792	21,088,303	62,665,095	74,390,083	18,952,595	93,342,678
Total net assets	\$ 178,182,474	\$ 47,985,806	\$ 226,168,280	\$ 148,966,634	\$ 28,135,190	\$ 177,101,824

The County's major governmental funds are the General Fund, Developer Fees, Capital Outlay – Gross Receipts Tax fund, the General Obligation Bond Series 2007 fund and the General Obligation Bond Series 2007B fund. The governmental funds had an excess of revenues and other financing sources over expenditures and other financing uses of \$15,110,474, approximately a \$28 million decrease from 2007. The decrease is primarily due to capital outlay expenditures, especially for the Buckman water project. Total governmental revenues had a net increase of approximately \$15.5 million mainly due to increases of \$3.6m in property taxes, \$13.2m in increased gross receipts taxes, \$1.46m in investment income and decreases of \$1.9m in charges for services, \$.82m in other income, and \$.06m in other taxes and assessments.

MANAGEMENT'S DISCUSSION AND ANALYSIS
 JUNE 30, 2008

**Changes in the County's Net Asset
 Year Ended June 30, 2008, and 2007**

	2008			2007		
	Changes in Net assets			Changes in Net assets		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Revenues						
Program revenues						
Charges for services	\$ 11,464,484	\$ 14,847,146	\$ 26,311,630	\$ 13,361,248	\$ 15,021,168	\$ 28,382,416
Operating grants and contributions	8,538,383	964,831	9,503,214	9,439,229	709,384	10,148,613
Capital grants and contributions	5,267,638	-	5,267,638	4,270,740	502,625	4,773,365
General revenues						
Property taxes	46,843,268	-	46,843,268	41,815,900	-	41,815,900
Gross receipt taxes	48,941,331	-	48,941,331	35,791,058	-	35,791,058
Other taxes	2,194,386	-	2,194,386	2,250,058	-	2,250,058
Investment income	8,159,358	286,131	8,445,489	6,695,660	284,761	6,980,421
Other	246,436	18,727	265,163	1,073,790	31,180	1,104,970
Contribution not restricted to a specific program	1,268,029	-	1,268,029	4,444,260	-	4,444,260
Total revenues	132,923,313	16,116,835	149,040,148	119,141,943	16,549,118	135,691,061
Expenses						
General government	20,460,705	-	20,460,705	23,375,447	-	23,375,447
Public safety	19,628,976	-	19,628,976	15,354,442	-	15,354,442
Highways and streets	8,300,186	-	8,300,186	8,399,402	-	8,399,402
Health and welfare	19,346,054	-	19,346,054	23,325,113	-	23,325,113
Culture and recreation	843,270	-	843,270	924,166	-	924,166
Economic development	2,121,000	-	2,121,000	271,025	-	271,025
Interest on long-term debt	4,031,630	-	4,031,630	3,248,751	-	3,248,751
Housing Services	-	1,365,632	1,365,632	-	1,672,159	1,672,159
Utilities Department	-	1,862,088	1,862,088	-	1,717,595	1,717,595
Jail Facility	-	22,335,307	22,335,307	-	20,001,791	20,001,791
Regional Planning Authority	-	105,876	105,876	-	80,779	80,779
Home sales	-	376,597	376,597	-	737,445	737,445
Total expenses	74,731,821	26,045,500	100,777,321	74,898,346	24,209,769	99,108,115
Increase (decrease) in net assets before transfers	58,191,492	(9,928,665)	48,262,827	44,243,597	(7,660,651)	36,582,946
Transfers	(29,779,281)	29,779,281	-	(12,501,579)	12,501,579	-
Change in net assets	\$ 28,412,211	\$ 19,850,616	\$ 48,262,827	\$ 31,742,018	\$ 4,840,928	\$ 36,582,946

Government-wide financial analysis.

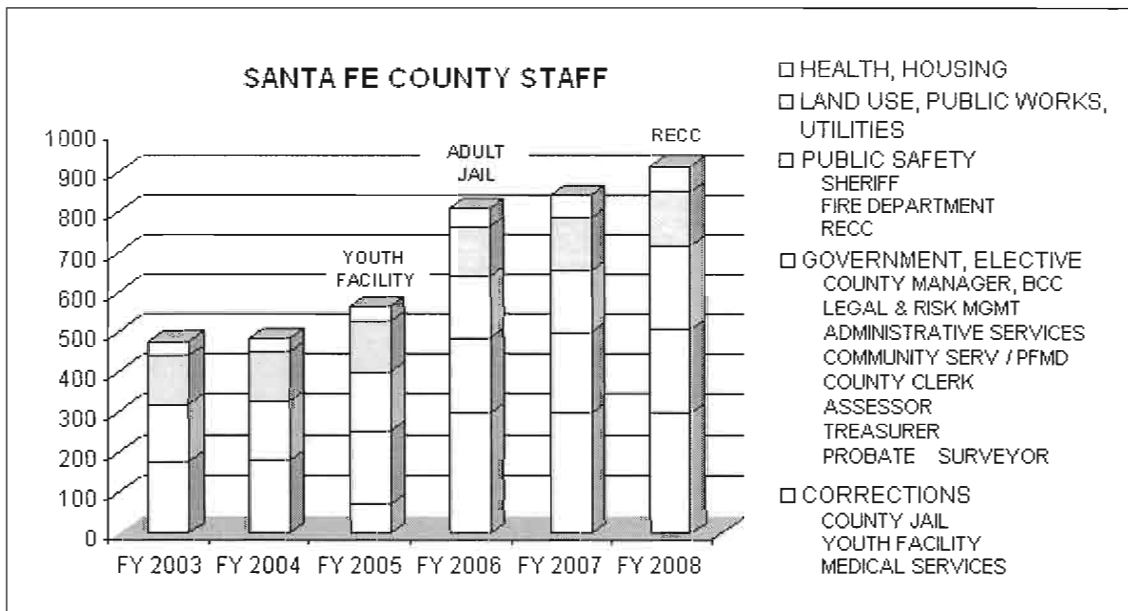
The County change in net assets for the year ended June 30, 2008 was \$48,262,827 compared to \$36,582,946 for the year ended June 30, 2007. See pages 19 and 21 for more detail on the differences between the government wide financial statements and the governmental fund financial statements.

The Jail Facility Enterprise Fund needed a general fund transfer of \$4.4 million to cover the cost of housing adult inmates and operational expenditures. This is a significant demand on General Fund resources. At the same time the population served by Jail Facility Fund has decreased, and the scope and quality of services mandated by the State and Federal Governments have been raised.

Decreasing revenues from both the Adult and Juvenile facilities is of great financial concern and may substantially negatively impact requirements for future transfers from the General Fund. As of the present, the Jail Enterprise Fund has a strong cash position, budgeted to be \$5 million on 06/30/2009, due mainly to significant shortfalls in Adult Facility operational cost versus budget.

Profile Of The County

The County operates under the commission-manager form of government (5 member board) plus six elected officials and is responsible for management of public safety, highways and streets, sanitation, health and social services, low rent housing assistance, affordable housing, culture-recreation, public projects' improvements, planning and zoning, and general administration services. A regional planning, housing services, utility, home sales and jail enterprises are included within the business activity of the County's financial statements. The number of positions authorized for fiscal year 2008 is approximately 918. See chart below for staffing detail by function.



Summary of County Program Highlights and Challenges

During the current fiscal year, the County accomplished the following goals and achievements.

- *Home Sales:* The Housing Authority successfully sold one affordable housing unit. The County is currently requesting permission from HUD to convert the Santa Cruz home sale units to rentals; there have been no home sales in the Santa Cruz subdivision since the start of this program.
- *Affordable Housing:* To-date, over 184 affordable housing units have been created through this program serving County residents who earn less than 120% of the Area Median Income. The County is creating program activities and enhancing resource development within the affordable housing fund.
- *Countywide Gross Receipts Tax:* The County last implemented a gross receipts tax to support the County contribution to the State for Medicaid. With the increase, the gross receipts tax rate in the County is 6.5625 percent.
- *General Obligation Bonds:* During fiscal year 2008 the County issued \$20 million in general obligation bonds payable from taxes to acquire, construct, design, equip and improve roads, water projects and fire safety projects. Priority projects for funding are the Buckman Direct Diversion Project, sub fire station improvements and upgrades to County roads.
- *Judicial Court Complex:* Santa Fe County has initiated the development of a new courthouse facility to house the First Judicial District Court. A 2.4 acre site at the corner of Sandoval and Montezuma has been selected for the site of the new Courthouse. The project has a \$55 million budget and is scheduled to break ground in December. The new Courthouse will be LEED certified and incorporate energy and green features.
- *Public Works Facility:* The Public Works facility is located on a 37-acre site along Highway 599 northwest of the intersection with Airport Road. The facility will employ state-of-the-art technology and is designed for energy and cost efficiency. Expected completion date is December 2008 and has an estimated budget of \$16 million.
- *Corrections Department:* The County has worked diligently to attain strong correctional experience with recent recruitment efforts; and has increased the number of training hours. The Corrections Department has focused on medical care to inmates and has increased medical and mental health staff. Additionally, the Corrections Department successfully assumed the responsibility for Bails Bonds and the corresponding conversion of electronic monitoring and bail bonds to a 24/7 operation.
- *County Assessor:* Currently, county appraisers in the field make hand sketches and notes about types and sizes of buildings that they are appraising. The Assessor has acquired a Computer-Aided Mass Appraisal System (CAMA) and is implementing the new software.
- *Economic Development:* Santa Fe County and Santa Fe Studios, a production company, have come to terms on an agreement for a film studio to be built on 65 acres just north of the county Public Safety complex. The studio will include full-service, LEED-certified green production facilities, promising 500 jobs and an anticipated \$300 million annual impact on the local economy. The pueblo-style campus facility will include 10 sound stages encompassing 500,000 square feet.
- *Regional Emergency Communication Center:* Beginning July 1, 2007 the County took over the operations of the RECC that was formerly operated under a joint powers agreement with the City of Santa Fe. The County is now responsible for funding all operations and expenditures for the RECC. The RECC provides enhanced 911 dispatch services to the City and County of Santa Fe.

In future years, the County is faced with the following challenges.

- *Affordable Housing:* Nationally, housing markets are challenging affordable housing units as well as market rate units. Our ordinance is based on keeping the market rate housing strong, which results in affordable units (for every 10 market rate homes built, an additional 3 affordable homes are built). Fortunately, New Mexico has a low foreclosure rate (36th in the nation). County staff is trying to incentivize the development community through our ordinance with density bonuses, provision of available water, waive development fees, assisting and providing subsidies, etc.
- *Water:* The need for providing an adequate water supply within our drought-stricken area will continue to be placed at the forefront of future challenges. A fiscal year 2009 objective of the County is to continue to acquire water rights while completing ongoing plans with the City for financing and constructing the Buckman Direct Diversion Project.
- *Aamodt Settlement:* The Aamodt Settlement in regard to water rights in the Nambe-Pojoaque-Tesuque basin will have a financial impact to Santa Fe County as well as increase the County water utility customer base. The County will have to double the current utilities staff to accommodate an increased number of customers.
- *Capital Projects:* The County is involved in an aggressive capital program, ranging from the construction of a new Public Works Facility, the acquisition of land and construction of a downtown Judicial Complex Center, the continuation of many projects sponsored by the State Legislature, to the water projects mentioned above, as well as road projects similarly funded and also sourced through a General Obligation Bond. The scale and total budget value of capital improvement projects in the County has more than tripled in the last four years, and now represents half of all budgeted expenditures. Given this, the County has begun developing a long-term capital infrastructure and financing plan with the initial focus on water and wastewater projects. Adequate project management staffing and control of these projects to ensure their efficient and timely completion continues to be a major challenge to the County.
- *Corrections Department:* The challenge of maintaining a fiscal balance requiring no additional funding from the general fund while marketing available beds for other jurisdictions will continue to be a major focus for operation of the adult detention facility. Inmate population trends reveal an increase of local (County) inmates that do not bring in care of prisoner revenue. The increase in overall Jail costs plus the shortfall in care of prisoner revenue points to the necessity for a constant financial review of operations.

The Department of Justice (DOJ) addressed the following issues: medical care, staffing shortages, access to mental health care and nursing shortages. The medical component has proven to be a large challenge for the County from the perspective of balancing the budget for inmate medical costs. The Corrections Department should achieve compliance with the DOJ requirements in fiscal year 2009.

The necessity to fund Juvenile Facility programs (Youth Development Program and Adolescent Residential Center) from cash balance as Juvenile facility revenue has fallen below the cost of operations in the past 18 months. The Juvenile program deficit has been recognized and will be resolved through a facility population increase and increased revenues. At this time, the County will terminate the operations of the Adolescent Residential Center due to higher cost of operations not supported by sufficient juvenile population.

- *Fire Staffing Levels:* As the County continues to grow in population and density, demands for services will also grow. The County currently has 20 full-time firefighters and relies heavily on its 300 volunteer firefighters to cover the County's 2000 square miles.
- *Fire Excess Tax:* Fiscal year 2009 will be the last year of this tax due to a sunset provision that will expire on December 31st. The County anticipates revenue collection in the amount of \$1.25 million (down from a full-year \$1.82 million estimated receipt). The loss of this tax will present challenges in the acquisition of capital equipment.
- *Sole Community Provider Payment:* Santa Fe County participates in the "Sole Community Provider" Program wherein payment is made to the State Human Services Department, which in turn matches the money with a federal Medicaid funding to fund the operation of local hospitals. The County struggles to meet the available base commitment for the Sole Community Provider (SCP) payment. The available base payment exceeds the available gross receipts tax revenue available for SCP funding. The County will be limited to available gross receipts tax revenue available in FY 2009.

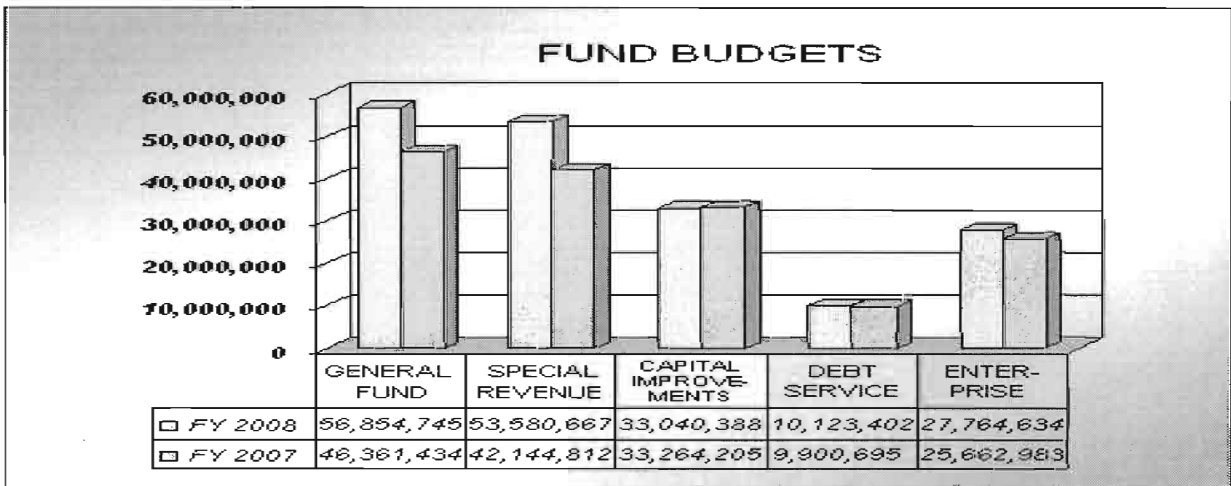
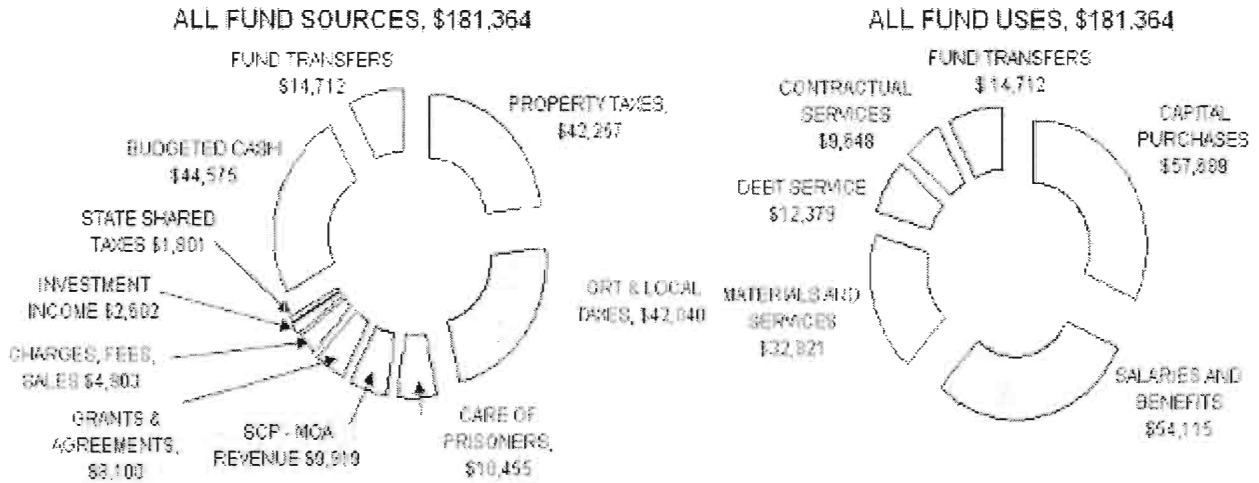
Pending the Final Rule developed by the Federal Centers for Medicare and Medicaid, it is almost certain that the SCP program will be done away with. If this occurs, the Federal, State and local governments will have to determine how local hospitals will be funded, which will be a crucial challenge. The governments will have to explore a greatly increased demand for resources that may require diverting those resources from other efforts.

- *Sobering Center:* The County operates the Sobering Center for detoxification of inebriates referred to the Center from the St. Vincent Hospital emergency room and by law enforcement. Budgetary support of the Sobering Center has largely been from St. Vincent (via a memorandum of agreement) "carryover money" from prior agreements to fund sobering services. The balance of "carryover money" from previous St. Vincent agreements is nearly expended and future funding of the Sobering Center will have to displace other health services.

Budget Highlights

The Santa Fe County fiscal year 2008 budget, totals \$181,363,826, or \$166,650,968 without transfers between funds, compared to the fiscal year 2007 Budget of \$157,334,129, or \$142,215,176 without transfers between funds. Differences between the fiscal year 2008 and the fiscal year 2007 budget stem from new inclusions in the fiscal year 2008 budget, such as cash-supported expense in the General Fund for major projects such as the Judicial Center, \$2.6 million; land acquisition for the Santa Fe County business park, \$1.9 million, and fixtures and equipment for the new Public Works facility, \$1.6 million. The new Emergency communications and Emergency Health Services Gross Receipt Tax also adds \$7.0 million to the budget. The \$20 million GOB Bond proceeds also increases the budget.

The following charts provide a condensed picture of the County revenues, funds and expenses by County Departments and government function.



MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2008

Credit Ratings

Moody's performed a rating review as of September 2008, and provided the County a rating of Aa2 for the 2008 Gross Receipts Tax Bond Series. Standard & Poor's allocated a rating of AA+ to the County for the same GRT Bond Series. The ratings reflect the County's ample debt service coverage, a large and diverse tax base supported by a strong institutional employment presence and a multi-year trend of solid financial operations.

Capital Assets and Debt Administration

Capital Assets

Capital assets include land, buildings and improvements, water systems, transfer stations, roads and infrastructure, vehicle/heavy equipment, machinery and equipment, furniture and fixtures, lease purchases and construction in progress. Major capital asset events during the current fiscal year included the following:

• Solid Waste Transfer Station Upgrades	\$ 842,724
• Judicial Center and Other Related Exp.	\$ 4,819,943
• Sheriff's Impound Lot	\$ 109,735
• Parks and Recreation	\$ 200,112
• Agua Fria Fire Living Quarters	\$ 249,342
• Thunder Mountain Fire Station	\$ 258,471
• Edgewood Senior Center	\$ 290,480
• Animal Barn SFC Fairgrounds	\$ 175,564
• Women's Health Services Center	\$ 2,679,404
• Youth Shelter and Family Services	\$ 227,654
• Public Works Facility	\$ 13,891,913
• YDP Camera System Upgrade	\$ 84,903
• Sheriff's Vehicles & Accessories	\$ 338,301
• Dump Trucks (plow & spreader)	\$ 250,942
• Fire Protection Vehicles	\$ 528,644

Long-Term Debt Administration

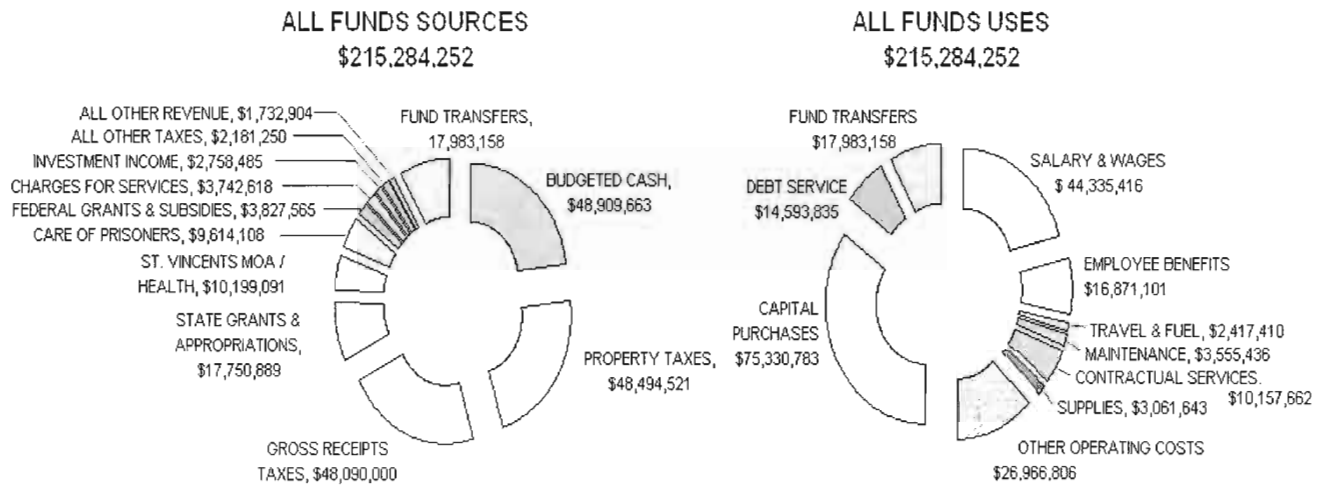
Santa Fe County's maximum legal debt capacity for General Obligation indebtedness as of June 30, 2008, is \$257,771,684 of which \$92,843,998 has been obligated. This leaves an available bonding capacity of \$164,927,686 in excess of present debt requirements.

Economic Factors and Next Year's Budget and Rates

The Santa Fe County Fiscal Year 2009 Budget totals \$215,284,252, or \$197,301,094 without transfers between funds, compared to the Fiscal Year 2008 budget of \$181,363,826, or \$166,650,968 without transfers between funds.

Property tax revenues have increased at a significant rate, reflecting new construction in the County. The fiscal year 2009 budget growth rate was substantially increased to decrease variances after much larger than expected actual tax revenues in fiscal years 2007 and 2008. This growth will probably decline in fiscal year 2010.

The overall budget consolidated from all funds, expressed in terms of sources and uses is as follows:



FY2009 versus FY 2008

Significant changes that account for an increase of \$33,920,426 in all funds from fiscal year 2008 to fiscal year 2009 are noted below.

- Major increments of the \$33.9 million in the General Fund are an inclusion of \$8 million as a set aside for water rights purchases; \$0.6 million set aside for oil and gas drilling legal issues; an increase of \$2.2 million in support of the Jail; a \$0.7 million increase support for the Regional Emergency Communication Center (RECC), and a \$0.4 million increase in cash to be used for road equipment purchases.
- The Capital Outlay fund budget has increased \$2 million of which \$1.5 million is the use of cash for Open Space projects.
- The Indigent Fund budget increased \$2.7 million. Of this, County voters approved a \$2.5 million Health Gross Receipts Tax (GRT) which is intercepted and paid to the State Health Department for Medicaid, making that amount available to the Indigent Fund.

- A new GRT supporting Fire Operations is realizing its first full year of collections, increasing the Fire Department Budget by \$2.8 million.
- The issuance of the 2008 General Obligation Bond resulted in a GOB Debt Service Fund increase of \$2.2 million.
- The inclusion of carryover state appropriated road and facility projects.

Fiscal Year 2009 Budget Priorities

Water Resources: Santa Fe County is a high altitude semi-arid region that depends on its water from winter mountain snow packs and from summer “monsoon” rain. Water availability is always a high-level concern of the citizens and government. The Buckman Direct Diversion Project is aimed at providing a long-term supply of water by pumping water that has been diverted from the mountains of southwest Colorado to the Rio Grande River, which through water rights, the county and City of Santa Fe may thereby obtain additional water. Otherwise, the county in order to support anticipated future population growth aggressively purchases available water rights as they come on the marketplace. Considerable budget resources are earmarked for these purposes in the fiscal year 2009 budget.

Economic Development: Other than state and local governments and commercial activity associated with the local infrastructure, the main source of economic activity in Santa Fe County is tourism. The development of other avenues of economic activity to provide employment for county citizens and to sustain population growth has been a long-term priority. Since 2002 the state legislature enacted one of the most generous tax rebate programs for the film industry in the country, and the state also offers an interest-free loan of as much as \$15 million a project for productions that are shot primarily in New Mexico. Santa Fe County envisions this as an opportunity to encourage the film industry to locate in the County and has signed an initial agreement for a film studio to be constructed in a new business park purchased by the County in fiscal year 2008.

Providing, Upgrading and Replacing County Service Infrastructure: As Santa Fe County services grow to serve the increasing population, a significant priority is to establish County facilities in places outside the Santa Fe City, and to replace and upgrade existing but outmoded County facilities. To this purpose, the County opened three satellite County offices in Pojoaque, Eldorado and Edgewood, where by citizens can locally obtain basic County services. Santa Fe County is also constructing new community centers; one was just opened in Agua Fria and new centers are planned for La Puebla and Cerrillos, and existing facilities are being renovated.

Managing Population, Environment and Commercial Growth in the County: Santa Fe County is experiencing challenges from increasing growth pressures and unanticipated oil, gas and mineral extraction development proposals. The County has made the decision that a plan for the Galisteo Basin area, updating the long-range General Plan and updating the Land Development Regulations. Key components of the Galisteo Growth Management Area Plan will be to preserve important environmental resources, identify future development patterns, establish “how much” and “what kind” of growth is desired and appropriate and incorporate a capital improvements plan that allocates growth-related development costs to new development.

Maintaining the Public Safety Infrastructure: Programmatically, Public Safety consists of law enforcement (Sheriff's Office), the County Fire Department, Emergency Communications, and Corrections. Maintenance of the Public

Safety staff is a challenge in that nearby state and local government public safety services compete with Santa Fe County for staff resources. If Santa Fe County does not offer salaries and benefits equivalent to other public safety entities, maintaining effective staff levels becomes difficult. In each of the County public safety services, salary increases were necessary during fiscal year 2008 to maintain parity with competing cities, counties and the state. These increases had a substantial effect on resources, limiting growth of other recurring County services in fiscal year 2009.

Financial Contact

The County's financial statements are designed to present users with the general overview of the County's finances and to demonstrate the Department's accountability. If you have questions about the report or need additional information, contact the County's Finance Director at 102 Grant Ave, PO Box 276, Santa Fe, New Mexico 87504 or visits our website at <http://www.santafecounty.nm.us>.

**STATE OF NEW MEXICO
SANTA FE COUNTY**

Exhibit 1

Statement of Net Assets

June 30, 2008

	Government-Wide		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Equity in pooled cash investments - Unrestricted	\$ 41,451,376	\$ -	\$ 41,451,376
Equity in pooled cash investments - Restricted	117,082,700	21,995,545	139,078,245
Receivables, net of allowance for uncollectible			
Accounts	1,752,868	2,167,051	3,919,919
Taxes	13,510,511	-	13,510,511
Interest	837,717	65,839	903,556
Grantor agencies and other	3,747,967	2,792	3,750,759
Mortgage receivables, net	11,229,111	174,817	11,403,928
Interfund balances	-	-	-
Assets held for sale	-	568,575	568,575
Capital assets (net of accumulated depreciation)	94,933,389	51,844,104	146,777,493
Deferred costs, net	-	340,929	340,929
Water rights	-	9,124,645	9,124,645
Total assets	\$ 284,545,639	\$ 86,284,297	\$ 370,829,936
LIABILITIES			
Accounts payable	\$ 2,328,166	\$ 622,011	\$ 2,950,177
Accrued payroll	861,101	413,945	1,275,046
Accrued interest	2,273,622	598,246	2,871,868
Interfund balances	-	-	-
Deferred revenue	955,569	174,817	1,130,386
Deposits held for others	93,746	168,627	262,373
Noncurrent liabilities:			
Due within one year	11,323,014	939,020	12,262,034
Due in more than one year	88,527,947	35,381,825	123,909,772
Total liabilities	106,363,165	38,298,491	144,661,656
NET ASSETS			
Invested in capital assets, net of related debt	30,223,432	24,647,903	54,871,335
Restricted for:			
Debt service	11,628,263	2,249,600	13,877,863
Capital projects	94,753,987	-	94,753,987
Unrestricted	41,576,792	21,088,303	62,665,095
Total net assets	\$ 178,182,474	\$ 47,985,806	\$ 226,168,280

The accompanying notes are an integral part of this statement.

STATE OF NEW MEXICO
SANTA FE COUNTY

Statement of Activities

Year Ended June 30, 2008

Functions/Programs	Program Revenues			Net (Expenses) Revenues and Changes in Net Assets		
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Primary government:						
Governmental activities						
General government	\$ (20,460,705)	\$ 1,198,786	\$ 4,372,730	\$ (13,207,231)	\$ -	\$ (13,207,231)
Public safety	(19,628,976)	1,866,063	-	(15,535,160)	-	(15,535,160)
Highways and streets	(8,300,186)	7,985	894,908	(7,354,550)	-	(7,354,550)
Health and welfare	(19,346,054)	7,546,788	-	(6,374,355)	-	(6,374,355)
Culture and recreation	(843,270)	-	-	(842,390)	-	(842,390)
Economic development	(2,121,000)	-	-	(2,116,000)	-	(2,116,000)
Interest expense	(4,031,630)	-	-	(4,031,630)	-	(4,031,630)
Total governmental activities	(74,731,821)	8,538,383	5,267,638	(49,461,316)	-	(49,461,316)
Business -type activities:						
Housing services	(1,365,632)	393,025	-	-	(317,992)	(317,992)
Utilities department	(1,862,088)	1,958,612	-	-	96,524	96,524
Jail facility	(22,335,307)	12,288,304	-	-	(9,736,787)	(9,736,787)
Regional planning authority	(105,876)	37,231	-	-	(68,645)	(68,645)
Home sales	(376,597)	169,974	-	-	(206,623)	(206,623)
Total business-type activities	(26,045,500)	14,847,146	-	-	(10,233,523)	(10,233,523)
Total primary government	\$(100,777,321)	\$ 26,311,630	\$ 5,267,638	(49,461,316)	(10,233,523)	(59,694,839)
General Revenues						
Property taxes				46,843,268	-	46,843,268
Gross receipt taxes				48,941,331	-	48,941,331
Other taxes				2,194,386	-	2,194,386
Investment income				8,159,358	286,131	8,445,489
Other				246,436	18,727	265,163
Contributions not restricted to a specific program				1,268,029	-	1,268,029
Total general revenues				107,652,808	304,858	107,957,666
Changes in net assets before transfers				58,191,492	(9,928,665)	48,262,827
Transfers				(29,779,281)	29,779,281	-
Change in net assets				28,412,211	19,850,616	48,262,827
Net assets - beginning				148,966,634	28,135,190	177,101,824
Net assets - restatement				803,629	-	803,629
Net assets - as restated				149,770,263	28,135,190	177,905,453
Net assets - ending				\$ 178,182,474	\$ 47,985,806	\$ 226,168,280

The accompanying notes are an integral part of this statement.

STATE OF NEW MEXICO
SANTA FE COUNTY

Exhibit 3

Balance Sheet
Governmental Funds

June 30, 2008

	Major Funds						Total
	Special Revenue Fund		Capital Project Funds			Non-Major Other Funds	
	General	Developer Fees	Capital Outlay	General	General		
			Gross Receipts Tax	Obligation Bond Series 2007	Obligation Bond Series 2007B		
ASSETS							
Equity in pooled cash and investments - Unrestricted	\$ 41,451,376	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 41,451,376
Equity in pooled cash and investments - Restricted	1,838,905	2,160,161	34,215,318	21,892,715	3,623,941	53,351,660	117,082,700
Receivables, net of allowance for uncollectible							
Accounts	29,892	112,000	-	-	-	1,610,976	1,752,868
Taxes	5,500,784	-	1,805,769	-	-	6,203,958	13,510,511
Interest	744,996	-	-	46,952	9,390	36,379	837,717
Grantor agencies and other	671,275	-	-	-	-	3,076,692	3,747,967
Mortgages	-	11,429,111	-	-	-	-	11,429,111
Due from other funds	593,466	-	-	-	-	5,719	599,185
Total assets	\$ 50,830,694	\$ 13,701,272	\$ 36,021,087	\$ 21,939,667	\$ 3,633,331	\$ 64,285,384	\$ 190,411,435
LIABILITIES AND FUND BALANCE							
Liabilities							
Accounts payable	\$ 566,674	\$ -	\$ 658,457	\$ 211,083	\$ -	\$ 868,337	\$ 2,304,551
Accrued payroll	567,670	1,155	-	-	-	292,276	861,101
Due to other funds	-	-	-	-	-	599,185	599,185
Deferred revenue	4,522,498	11,429,111	-	-	-	863,708	16,815,317
Deposits held for others	-	-	-	-	-	93,746	93,746
Other	23,615	-	-	-	-	-	23,615
Total liabilities	5,680,457	11,430,266	658,457	211,083	-	2,717,252	20,697,515
Fund Balance							
Reserved for							
Encumbrances	3,677,892	3,227	1,871,088	2,647,827	1,999,331	9,854,990	20,054,355
Debt service	-	-	-	-	-	13,040,542	13,040,542
Total reserved fund balance	<u>3,677,892</u>	<u>3,227</u>	<u>1,871,088</u>	<u>2,647,827</u>	<u>1,999,331</u>	<u>22,895,532</u>	<u>33,094,897</u>
Unreserved reported in							
Special Revenue	-	2,267,779	-	-	-	32,651,687	34,919,466
Contingency	1,815,290	-	-	-	-	-	1,815,290
Capital projects	-	-	33,491,542	19,080,757	1,634,000	6,844,213	61,050,512
Unreserved - Undesignated	39,657,055	-	-	-	-	(823,300)	38,833,755
Total unreserved fund balance	<u>41,472,345</u>	<u>2,267,779</u>	<u>33,491,542</u>	<u>19,080,757</u>	<u>1,634,000</u>	<u>38,672,600</u>	<u>136,619,023</u>
Total fund balance	45,150,237	2,271,006	35,362,630	21,728,584	3,633,331	61,568,132	169,713,920
Total liabilities and fund balance	\$ 50,830,694	\$ 13,701,272	\$ 36,021,087	\$ 21,939,667	\$ 3,633,331	\$ 64,285,384	\$ 190,411,435

The accompanying notes are an integral part of this statement.

**STATE OF NEW MEXICO
SANTA FE COUNTY**

Exhibit 4

Reconciliation of the Governmental Fund Balance Sheet to the Statement of Net Assets

June 30, 2008

Amounts reported for governmental activities in the statement of net assets are different because:

Total Fund Balance Governmental Funds	\$ 169,713,920
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds	94,933,389
Long-term liabilities, including bonds payable, and therefore are not reported in the governmental funds	(100,098,190)
Reductions of deferred revenue for property tax revenue recorded on full accrual basis. Governmental funds recognize tax revenue on the modified accrual basis	4,430,637
Accrual of interest on long-term obligations not recorded by the governmental funds until paid	(2,273,622)
Developer funded mortgages not recorded as revenue by the governmental funds until paid by the homeowners, net of allowance	11,229,111
Capitalized bond issuance and deferred costs, net of amortization, expensed by the governmental funds	408,070
Bond premium, net of amortization	<u>(160,841)</u>
Net assets governmental activities	<u><u>\$ 178,182,474</u></u>

The accompanying notes are an integral part of this statement.

STATE OF NEW MEXICO
SANTA FE COUNTY

Exhibit 5

Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds

Year Ended June 30, 2008

	Major Funds						Total
	Special		Capital Project Funds			Non-Major Other Funds	
	Revenue Fund	Developer Fees	Capital Outlay	General	General		
	General		Gross Receipts Tax	Obligation Bond Series 2007	Obligation Bond Series 2007B		
Revenues:							
Grants	\$ 1,198,786	\$ -	\$ -	\$ -	\$ -	\$ 12,607,235	\$ 13,806,021
Property tax	33,397,906	-	-	-	-	12,227,887	45,625,793
Gross receipts tax	10,664,962	-	10,519,154	-	-	27,757,215	48,941,331
Other taxes and assessments	1,105,937	-	-	-	-	1,088,449	2,194,386
Interest earnings	5,693,887	88,610	-	1,068,589	502,119	806,153	8,159,358
Charges for services, fines and penalties	1,525,638	-	-	-	-	9,938,846	11,464,484
Other	108,439	59,700	-	-	-	78,297	246,436
Total revenues	53,695,555	148,310	10,519,154	1,068,589	502,119	64,504,082	130,437,809
Expenditures:							
Current							
General government	17,729,096	-	-	-	-	1,141,309	18,870,405
Public safety	10,422,751	-	-	-	-	8,259,278	18,682,029
Highways and streets	4,585,306	-	-	-	-	2,791,299	7,376,605
Health and welfare	93,969	85,869	-	-	-	19,002,379	19,182,217
Culture and recreation	754,241	-	-	-	-	65,581	819,822
Economic development	-	-	-	-	-	2,121,000	2,121,000
Capital outlay	4,660,250	-	7,516,972	4,593,786	16,791,718	12,837,357	46,400,083
Debt service (principal and interest)	-	-	-	-	-	10,282,520	10,282,520
Debt issuance costs and other	-	-	-	-	122,221	1,882	124,103
Total expenditures	38,245,613	85,869	7,516,972	4,593,786	16,913,939	56,502,605	123,858,784
Excess (Deficiency) of Revenues over Expenditures	15,449,942	62,441	3,002,182	(3,525,197)	(16,411,820)	8,001,477	6,579,025
Other Financing Sources (Uses):							
Operating transfers, in	1,239,557	-	100,000	-	-	7,047,521	8,387,078
Operating transfers, out	(10,097,213)	-	(220,545)	-	-	(9,583,022)	(19,900,780)
Proceeds from bonds	-	-	-	-	20,045,151	-	20,045,151
Total other financing sources (uses)	(8,857,656)	-	(120,545)	-	20,045,151	(2,535,501)	8,531,449
Net changes in fund balance	6,592,286	62,441	2,881,637	(3,525,197)	3,633,331	5,465,976	15,110,474
Fund balance, beginning of year	38,557,951	2,208,565	32,480,993	25,253,781	-	55,670,984	154,172,274
Prior Period restatement/reclassification	-	-	-	-	-	431,172	431,172
Fund balance, beginning as restated	38,557,951	2,208,565	32,480,993	25,253,781	-	56,102,156	154,603,446
Fund balance, end of year	\$45,150,237	\$ 2,271,006	\$ 35,362,630	\$21,728,584	\$ 3,633,331	\$ 61,568,132	\$169,713,920

The accompanying notes are an integral part to this statement.

STATE OF NEW MEXICO
SANTA FE COUNTY

Exhibit 6

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental
Funds to the Statement of Activities

Year Ended June 30, 2008

Amounts reported for governmental activities in the statement of activities are different because:

Net changes in fund balance total governmental funds	\$ 15,110,474
Capital outlay expenditures in the governmental funds	\$ 46,400,083
Less amount of capital outlay for the enterprise funds paid for by the governmental funds recorded as contributed capital and included in transfer from governmental activity to business-type activities	<u>(18,265,579)</u>
Current year Capital Outlay expenditures capitalized in the Statement of Net Assets	28,134,504
Depreciation expense recorded in the Statement of Activities	(3,006,185)
Debt Service principal payments expensed in the governmental funds, recorded as a reduction of long-term liabilities in the Statement of Net Assets	6,901,915
Proceeds of bonds issued during 2008 recorded as other financing sources in the governmental funds but as liabilities in the government wide financial statements	(20,000,000)
General fund payments expense for capital lease obligations and post closure costs recorded as a reduction of long-term liabilities	12,168
Capitalized bond issuance and deferred costs of \$122,221, net of amortization of \$32,398	89,823
Bond premium, net of amortization	(29,729)
Increase in compensated absences not recorded until paid by the governmental funds	(308,109)
Net increase in accrued interest expense not recorded until paid by the governmental funds	(634,049)
Current year developer funded mortgages not recorded as revenue in the governmental funds but recorded as deferred revenue	1,268,029
Loss on an affordable housing mortgage	(100,699)
Provision for allowance for uncollectable affordable mortgages recorded on the government wide financial statements	(200,000)
Net effect of full accrual accounting to record tax revenue in the Statement of Activities which is recorded on a modified accrual basis in the governmental financial statements	1,217,475
Loss on disposal of capital assets not recorded in the governmental funds	<u>(43,406)</u>
Change in net assets	<u>\$ 28,412,211</u>

The accompanying notes are an integral part of this statement.

STATE OF NEW MEXICO
SANTA FE COUNTY

Exhibit 7

General Fund
Statement of Revenues and Expenditures
Budget to Actual (Non-GAAP Basis)

Year Ended June 30, 2008

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
Revenues:				
Grants	\$ 1,257,309	\$ 2,200,794	\$ 1,350,016	\$ (850,778)
Taxes and special assessments	41,281,914	42,672,531	45,178,719	2,506,188
Interest earnings	2,250,000	2,643,000	3,170,866	527,866
Charges for services	1,144,700	1,163,700	1,231,946	68,246
Licenses and permits	436,000	436,000	394,763	(41,237)
Other	39,000	119,909	2,673,078	2,553,169
	<u>46,408,923</u>	<u>49,235,934</u>	<u>\$ 53,999,388</u>	<u>\$ 4,763,454</u>
Cash balance carryforward	<u>9,270,371</u>	<u>15,055,127</u>		
Total	<u>\$ 55,679,294</u>	<u>\$ 64,291,061</u>		
Expenditures:				
General government	\$ 33,052,127	\$ 34,509,720	\$ 22,553,241	\$ 11,956,479
Public Safety	10,414,334	13,085,875	12,236,139	849,736
Highways and streets	1,097,517	1,531,869	1,434,171	97,698
Health and welfare	50,916	96,267	93,969	2,298
Culture and recreation	896,934	1,388,723	1,296,905	91,818
Public Works	3,986,875	4,940,401	4,595,207	345,194
	<u>\$ 49,498,703</u>	<u>\$ 55,552,855</u>	<u>\$ 42,209,632</u>	<u>\$ 13,343,223</u>
Other financing sources (uses):				
Bond proceeds	\$ -	\$ -	\$ -	\$ -
Operating transfers in	1,175,451	1,359,009	1,239,557	(119,452)
Operating transfers out	<u>(7,356,042)</u>	<u>(10,097,215)</u>	<u>(10,097,213)</u>	<u>2</u>
Total other financing sources (uses)	<u>\$ (6,180,591)</u>	<u>\$ (8,738,206)</u>	<u>\$ (8,857,656)</u>	<u>\$ (119,450)</u>
Net income (loss) - Budgetary basis			\$ 2,932,100	
Reconciliation to GAAP basis income (loss):				
To record audit adjustments for revenue, net of prior year revenue reversals			(303,833)	
To record audit adjustment for expenses			-	
Outstanding encumbrances recorded as budgetary expenditures and not for GAAP purposes			3,677,892	
Reversal of prior year accruals			<u>286,127</u>	
Change in net assets - GAAP basis			<u>\$ 6,592,286</u>	

The accompanying notes are an integral part of this statement.

STATE OF NEW MEXICO
SANTA FE COUNTY

Exhibit 8

Developer Fees
Statement of Revenues and Expenditures

Budget to Actual (Non-GAAP Basis)

Year Ended June 30, 2008

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
Revenues:				
Grants	\$ -	\$ -	\$ -	\$ -
Taxes and special assessments	-	-	-	-
Interest earnings	-	-	88,610	88,610
Charges for services	-	-	-	-
Licenses and permits	-	-	-	-
Other	-	-	452,800	452,800
Total revenues	-	-	<u>\$ 541,410</u>	<u>\$ 541,410</u>
Cash balance carryforward	<u>110,185</u>	<u>166,013</u>		
Total	<u>\$ 110,185</u>	<u>\$ 166,013</u>		
Expenditures:				
General government	\$ 110,185	\$ 166,013	\$ 89,096	\$ 76,917
Public safety	-	-	-	-
Highways and streets	-	-	-	-
Health and welfare	-	-	-	-
Culture and recreation	-	-	-	-
Public Works	-	-	-	-
Total expenditures	<u>\$ 110,185</u>	<u>\$ 166,013</u>	<u>\$ 89,096</u>	<u>\$ 76,917</u>
Other financing sources (uses):				
Bond proceeds	\$ -	\$ -	\$ -	\$ -
Operating transfers in	-	-	-	-
Operating transfers out	-	-	-	-
Total other financing sources (uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net income (loss) - Budgetary basis			\$ 452,314	
Reconciliation to GAAP basis income (loss):				
To record audit adjustments for revenue, net of prior year revenue reversals			(393,100)	
To record audit adjustment for expenses			-	
Outstanding encumbrances recorded as budgetary expenditures and not for GAAP purposes			3,227	
Reversal of prior year accruals			-	
Entry for bad debt expense			-	
Change in net assets - GAAP basis			<u>\$ 62,441</u>	

The accompanying notes are an integral part of this statement.

STATE OF NEW MEXICO
SANTA FE COUNTY

Exhibit 9

Statement of Net Assets
Enterprise Funds

June 30, 2008

	Housing Services	Utilities Department	Jail Facility	Regional Planning Authority	Home Sales	Total
ASSETS						
Current Assets:						
Cash and investments- restricted	\$ 1,917,833	\$ 3,990,020	\$ 11,544,388	\$ 224,338	\$ 4,318,966	\$ 21,995,545
Accrued interest	-	968	64,871	-	-	65,839
Accounts receivable, net	66,223	335,490	1,765,338	-	-	2,167,051
Interfund balances	-	-	-	-	-	-
Notes receivable, net	-	2,792	-	-	-	2,792
Assets held for sale	-	-	-	-	568,575	568,575
Total current assets	<u>1,984,056</u>	<u>4,329,270</u>	<u>13,374,597</u>	<u>224,338</u>	<u>4,887,541</u>	<u>24,799,802</u>
Non-current Assets:						
Fixed assets - building, land, equipment jail facility and water system	7,150,295	28,938,953	29,944,934	7,650	-	66,041,832
Accumulated depreciation	(3,891,145)	(2,000,480)	(8,301,537)	(4,566)	-	(14,197,728)
Total fixed assets, net of depreciation	<u>3,259,150</u>	<u>26,938,473</u>	<u>21,643,397</u>	<u>3,084</u>	<u>-</u>	<u>51,844,104</u>
Deferred costs, net	-	-	340,929	-	-	340,929
Water rights	-	9,124,645	-	-	-	9,124,645
Mortgage receivable	-	-	-	-	174,817	174,817
Total assets	<u>\$ 5,243,206</u>	<u>\$ 40,392,388</u>	<u>\$ 35,358,923</u>	<u>\$ 227,422</u>	<u>\$ 5,062,358</u>	<u>\$ 86,284,297</u>
LIABILITIES AND FUND EQUITY						
Current Liabilities:						
Accounts payable	\$ 459	\$ 129,719	\$ 487,330	\$ 726	\$ 3,777	\$ 622,011
Accrued payroll	21,280	16,889	373,458	2,318	-	413,945
Accrued interest	-	-	598,246	-	-	598,246
Interfund balances	-	-	-	-	-	-
Deposits held for others	69,559	99,068	-	-	-	168,627
Current portion of notes and bonds payable	129,020	-	810,000	-	-	939,020
Deferred revenue	-	-	-	-	174,817	174,817
Total current liabilities	<u>220,318</u>	<u>245,676</u>	<u>2,269,034</u>	<u>3,044</u>	<u>178,594</u>	<u>2,916,666</u>
Noncurrent Liabilities:						
Notes and bonds payable	4,698,412	-	24,725,000	-	-	29,423,412
Interest payable	5,958,413	-	-	-	-	5,958,413
Total noncurrent liabilities	<u>10,656,825</u>	<u>-</u>	<u>24,725,000</u>	<u>-</u>	<u>-</u>	<u>35,381,825</u>
Total liabilities	<u>10,877,143</u>	<u>245,676</u>	<u>26,994,034</u>	<u>3,044</u>	<u>178,594</u>	<u>38,298,491</u>
Net assets						
Invested in capital assets and water rights, net of related debt	(7,526,695)	36,063,118	(3,891,604)	3,084	-	24,647,903
Restricted for Debt service	-	-	2,249,600	-	-	2,249,600
Unrestricted	1,892,758	4,083,594	10,006,893	221,294	4,883,764	21,088,303
Total net assets	<u>(5,633,937)</u>	<u>40,146,712</u>	<u>8,364,889</u>	<u>224,378</u>	<u>4,883,764</u>	<u>47,985,806</u>
Total liabilities and net assets	<u>\$ 5,243,206</u>	<u>\$ 40,392,388</u>	<u>\$ 35,358,923</u>	<u>\$ 227,422</u>	<u>\$ 5,062,358</u>	<u>\$ 86,284,297</u>

The accompanying notes are an integral part of this statement.

STATE OF NEW MEXICO
SANTA FE COUNTY

Exhibit 10

Statement of Revenues, Expenditures and Changes in Fund Net Assets

Enterprise Funds

Year Ended June 30, 2008

	Housing Services	Utilities Department	Jail Facility	Regional Planning Authority	Home Sales	Total
Operating revenues						
Facilities rentals and charges for services	\$ 393,025	\$ -	\$ 12,288,304	\$ 37,231	\$ -	\$ 12,718,560
Water sales, net	-	1,958,612	-	-	-	1,958,612
Miscellaneous	9,799	8,201	727	-	-	18,727
Sale of homes	-	-	-	-	169,974	169,974
Total operating revenues	<u>402,824</u>	<u>1,966,813</u>	<u>12,289,031</u>	<u>37,231</u>	<u>169,974</u>	<u>14,865,873</u>
Operating expenses						
Cost of sales	-	-	-	-	135,444	135,444
General	1,028,777	1,862,088	20,876,913	105,876	241,153	24,114,807
Total operating expenses	<u>1,028,777</u>	<u>1,862,088</u>	<u>20,876,913</u>	<u>105,876</u>	<u>376,597</u>	<u>24,250,251</u>
Operating income (loss)	<u>(625,953)</u>	<u>104,725</u>	<u>(8,587,882)</u>	<u>(68,645)</u>	<u>(206,623)</u>	<u>(9,384,378)</u>
Non-operating revenues (expenses)						
Interest on cash and investments	-	2,747	283,384	-	-	286,131
HUD operating subsidy and other federal/state funds	654,615	-	310,216	-	-	964,831
Interest expense on notes payable	(336,855)	-	(1,458,394)	-	-	(1,795,249)
Total non-operating revenues (expenses)	<u>317,760</u>	<u>2,747</u>	<u>(864,794)</u>	<u>-</u>	<u>-</u>	<u>(544,287)</u>
Net income (loss) before contributions and operating transfers	<u>(308,193)</u>	<u>107,472</u>	<u>(9,452,676)</u>	<u>(68,645)</u>	<u>(206,623)</u>	<u>(9,928,665)</u>
Capital Contributions						
Capital contributions from governmental funds	-	18,265,579	-	-	-	18,265,579
Contributions from Developers	-	-	-	-	-	-
Capital assets contributions (expense)	-	-	-	-	-	-
Total capital contributions	<u>-</u>	<u>18,265,579</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>18,265,579</u>
Operating transfers in	103	-	9,379,123	100,000	2,057,034	11,536,260
Operating transfers (out)	-	-	(22,558)	-	-	(22,558)
Total transfers	<u>103</u>	<u>-</u>	<u>9,356,565</u>	<u>100,000</u>	<u>2,057,034</u>	<u>11,513,702</u>
Change in net assets	<u>(308,090)</u>	<u>18,373,051</u>	<u>(96,111)</u>	<u>31,355</u>	<u>1,850,411</u>	<u>19,850,616</u>
Net assets (deficit), beginning of year	<u>(5,325,847)</u>	<u>21,773,661</u>	<u>8,461,000</u>	<u>193,023</u>	<u>3,033,353</u>	<u>28,135,190</u>
Net assets (deficit), end of year	<u>\$ (5,633,937)</u>	<u>\$ 40,146,712</u>	<u>\$ 8,364,889</u>	<u>\$ 224,378</u>	<u>\$ 4,883,764</u>	<u>\$ 47,985,806</u>

The accompanying notes are an integral part of this statement.

STATE OF NEW MEXICO
SANTA FE COUNTY

Exhibit 11
Page 1 of 2

Statement of Cash Flows

Enterprise Funds

Year Ended June 30, 2008

	Housing Services	Utilities Department	Jail Facility	Regional Planning Authority	Home Sales	Total
Cash Flows from Operating Activities						
Cash received from customers and others	\$ 393,227	\$ 1,835,876	\$ 12,431,948	\$ 48,715	\$ 169,974	\$ 14,879,740
Cash payments to suppliers for goods and services	(366,066)	(676,789)	(6,020,549)	(5,232)	(267,875)	(7,336,511)
Cash payments to employees for services	(597,086)	(792,278)	(12,948,739)	(98,702)	-	(14,436,805)
Net cash provided (used) by operating activities	<u>(569,925)</u>	<u>366,809</u>	<u>(6,537,340)</u>	<u>(55,219)</u>	<u>(97,901)</u>	<u>(6,893,576)</u>
Cash Flows Provided from Noncapital Financing activities						
Cash from grantors and other	452,898	-	310,216	-	-	763,114
Cash from operating transfers in	103	-	9,356,565	100,000	2,057,034	11,513,702
Net cash provided by noncapital financing activities	<u>453,001</u>	<u>-</u>	<u>9,666,781</u>	<u>100,000</u>	<u>2,057,034</u>	<u>12,276,816</u>
Cash Flows Provided from Capital and Related Financing Activities						
Payment of notes payable and accrued interest	-	-	(2,249,540)	-	-	(2,249,540)
Cash paid for fixed assets	(1,265)	(27,839)	(119,014)	-	-	(148,118)
Net cash (used by) provided by capital and related financing activities	<u>(1,265)</u>	<u>(27,839)</u>	<u>(2,368,554)</u>	<u>-</u>	<u>-</u>	<u>(2,397,658)</u>
Cash Flows from Investing Activities - Interest on cash and investment						
	-	2,887	282,988	-	-	285,875
Net increase (decrease) in cash and cash equivalents	(118,189)	341,857	1,043,875	44,781	1,959,133	3,271,457
Cash and investments at beginning of year	2,036,022	3,648,163	10,500,513	179,557	2,359,833	18,724,088
Cash and investments at end of year	<u>\$ 1,917,833</u>	<u>\$ 3,990,020</u>	<u>\$ 11,544,388</u>	<u>\$ 224,338</u>	<u>\$ 4,318,966</u>	<u>\$ 21,995,545</u>

The accompanying notes are an integral part of this statement.

(Continued)

STATE OF NEW MEXICO
SANTA FE COUNTY

Exhibit 11
Page 2 of 2

Statement of Cash Flows (Continued)

Enterprise Funds

Year Ended June 30, 2008

	Housing Services	Utilities Department	Jail Facility	Regional Planning Authority	Home Sales	Total
Reconciliation of operating income (loss) to net cash provided (used) by operating activities						
Operating income (loss)	\$ (625,953)	\$ 104,725	\$ (8,587,882)	\$ (68,645)	\$ (206,623)	\$ (9,384,378)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities						
Deprecation and amortization expenses	68,113	224,005	925,822	771	-	1,218,711
Bad debt expense/(credit)	-	(86,000)	775,000	-	-	689,000
Change in assets and liabilities						
(Increase) decrease in accounts receivable	(9,597)	(45,816)	142,917	11,485	-	98,989
(Increase) decrease in notes receivable	-	879	-	-	-	879
(Increase) decrease in assets held for sale	-	-	-	-	120,935	120,935
Increase (decrease) in accounts payable	(7,499)	87,507	62,784	726	(12,213)	131,305
Increase (decrease) in compensated absences	2,156	2,010	144,019	444	-	148,629
(Decrease) increase in deposits held for others	2,855	79,499	-	-	-	82,354
Total adjustments	<u>56,028</u>	<u>262,084</u>	<u>2,050,542</u>	<u>13,426</u>	<u>108,722</u>	<u>2,490,802</u>
Net cash provided by (used by) operating activities	<u>\$ (569,925)</u>	<u>\$ 366,809</u>	<u>\$ (6,537,340)</u>	<u>\$ (55,219)</u>	<u>\$ (97,901)</u>	<u>\$ (6,893,576)</u>

Supplemental information: Non monetary transactions - HUD forgave \$201,717 of interest and principal and contributed revenue was credited. The County Capital Projects Funds paid \$18,265,521 for capital asset and water rights additions for the Utilities Department.

The accompanying notes are an integral part of this statement.

STATE OF NEW MEXICO
SANTA FE COUNTY

Exhibit 12

Agency Funds
Statement of Fiduciary Assets and Liabilities

June 30, 2008

ASSETS

Equity in pooled cash and investments - restricted	\$ 2,376,415
Property taxes receivable	7,200,911
Total assets	<u>9,577,326</u>

LIABILITIES

Due to other governments	7,200,911
Overpayments and taxes paid in advance	1,114,160
Deposits held for others	745,339
Undistributed taxes to other entities	516,916
Total liabilities	<u>9,577,326</u>
Net assets	<u>\$ -</u>

The accompanying notes are an integral part of this statement.

STATE OF NEW MEXICO
SANTA FE COUNTY

Notes to Financial Statements

June 30, 2008

(1) **Summary of Significant Accounting Policies**

Santa Fe County (County) was established by the laws of the Territory of New Mexico of 1852, under provisions of the act now referred to as Section 4-26-1 of the New Mexico Statutes Annotated, 1978 Compilation. The County operates under the commission-manager form of government and provides the following services as authorized in the grant of powers: public safety (police, fire), highways and streets, sanitation, health and social services, low rent housing assistance, culture-recreation, public improvements, planning and zoning, and general administration services.

The County's entity-wide financial statements sheet includes the accounts of all the County's operations. The County's major operations include sheriff and fire protection, collection of and distribution of property taxes, parks and recreation, planning and zoning, certain health social service, general administration service, low income housing assistance, jail operations and the utilities division.

Reporting Entity

In evaluating how to define the government for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in Governmental Accounting Standards Board (GASB) Statements 14 and 39. The basic, but not the only, criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operation, and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the government and/or its citizens, or whether the activity is conducted within the geographic boundaries of the government and is generally available to its citizens. A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the government is able to exercise oversight responsibilities. GASB 39 became effective July 1, 2003, which expanded the criteria of a component unit, and the Rancho Viejo Improvement District became part of the County's financial statements as a debt service fund.

There is not a separate governing body for the Rancho Viejo Improvement District and per the debt offering statement the County's Commissioners become the governing body. The funds from the debt benefited the County and accordingly, per GASB 39, the Rancho Viejo Improvement District fund is blended with the County's financial statements.

During July 1996, the Housing Authority's Board resigned and day to day operations became a County responsibility. The Authority's operations are included in the financial statements as County enterprise and special revenue funds. The Santa Fe County Housing Authority Enterprise Fund is now known as Housing Services Enterprise Fund (Housing Services).

STATE OF NEW MEXICO
SANTA FE COUNTY

Notes to Financial Statements (Continued)

June 30, 2008

(1) **Summary of Significant Accounting Policies (Continued)**

Reporting Entity (Continued)

The Santa Fe County Water Company (Water Company) was organized for the purposes of planning, studying, designing, financing, constructing, purchasing, owning, operating, maintaining, and improving systems for the supply and distribution of water to and for the general public in one or more areas of Santa Fe County, New Mexico, pursuant to, and in accordance with the Franchise Ordinance and other contractual agreements with the Commission, in order to promote the conservation of and efficient use of water (and for related purposes). During July 1996, the Water Company was dissolved and is now accounted for as a County enterprise fund.

The Water Company, now known as Santa Fe County Utilities Department (Utilities Department) is an enterprise fund and its operations commenced June 28, 1996. Costs incurred in the planning and design of a water system have been capitalized and are amortized over the 50 year life of the water system.

The financial statements of the County have been prepared to conform with generally accepted accounting principles (GAAP) as applied to governmental entities. The County is responsible for the fair presentation in the basic financial statements of its financial position, results of operations and cash flows of the proprietary funds in conformity with the United States of America generally accepted accounting principles. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The County follows GASB Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis -for State and Local Governments* (GASB 34). This statement affects the manner in which the County records transactions and presents financial information. State and local governments have traditionally used a financial reporting model substantially different from the one used to prepare private-sector financial reports. GASB 34 establishes new requirements and a new reporting model, much like private-sector financial reports, for the annual financial reports of state and local governments. The new format was developed to make annual reports of state and local governments easier to understand and more useful to users of governmental financial information.

Management Discussion and Analysis - GASB 34 requires the financial statements be accompanied by a narrative introduction and analytical overview of the County's financial activities in the form of management's discussion and analysis (MD&A). This analysis is similar to the analysis provided in the annual reports of private-sector organizations.

Government-wide Financial Statements - The reporting model includes financial statements prepared using full accrual accounting for all of the County's activities. This approach includes not just current assets and liabilities, but also capital and other long-term assets as well as long-term liabilities. Accrual accounting also reports all of the revenues and costs of providing services each year, not just those received or paid in the current year or soon thereafter.

Basis of Accounting

The basic financial statements consist of the following:

- Government-wide financial statements

STATE OF NEW MEXICO
SANTA FE COUNTY

Notes to Financial Statements (Continued)

June 30, 2008

(1) Summary of Significant Accounting Policies Continued

Basis of Accounting (Continued)

- Fund financial statements and
- Notes to the basic financial statements

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the nonfiduciary activities of the County. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* including depreciation expense are those that are clearly identifiable with a specific function or segment. The County does not allocate indirect expenses to other functions but is included in general government functions. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds, enterprise funds, and fiduciary funds even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized in the year for which they are levied. Derived tax revenues (gross receipts taxes, cigarette taxes, gasoline taxes, etc.) are recognized when the underlying exchange transaction takes place. Revenues from fines and permits are not susceptible to accrual because generally they are not measurable until received in cash. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the government-wide statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities, subject to this same limitation. The County has elected not to follow subsequent private-sector guidance.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

STATE OF NEW MEXICO
SANTA FE COUNTY

Notes to Financial Statements (Continued)

June 30, 2008

(1) **Summary of Significant Accounting Policies (Continued)**

Basis of Accounting (Continued)

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principle ongoing operations. The principle operating revenues of the County's enterprise funds and internal service funds are charges to customers for sales and services. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting these definitions are reported as non-operating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first and then unrestricted resources as they are recorded.

Governmental financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available or when the underlying exchange transaction takes place. Revenues are considered to be *available* when they are collectible within the current period. For this purpose, the County considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are generally recorded when a liability is incurred, as under accrual accounting.

Fiduciary Fund Types (Agency funds) use the accrual basis of accounting. Agency funds are used to account for assets held as an agent for individuals, private organizations and other governments and/or other funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

Exceptions to this general rule include: debt service expenditures which are recorded when fund liabilities are due and to compensate absences which are recorded only when payable from current available financial resources.

Those revenues susceptible to accrual are property taxes, gross receipts taxes, state shared taxes, investment income and charges for services. In accordance with GASB Statement 33, estimated property taxes, that are not available, are recorded as both accounts receivable and deferred revenue. Other intergovernmental taxes are not recorded as the amounts are not estimable. Grant revenues are recognized as revenues when the related costs are incurred. All other revenues are recognized when they are received and are not susceptible to accrual, because they are usually not measurable until payment is actually received.

The County reports deferred revenue on its governmental fund and government-wide balance sheets. Deferred revenues arise when a potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Deferred revenues also arise when resources are received by the County before it has legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods when both revenue recognition criteria methods are met or when the County has a legal claim to the resources, the liability for deferred revenue is removed from the balance sheet and revenue is recognized.

STATE OF NEW MEXICO
SANTA FE COUNTY

Notes to Financial Statements (Continued)

June 30, 2008

(1) **Summary of Significant Accounting Policies (Continued)**

Basis of Accounting (Continued)

Customer contributions owed to the Utilities Department for the extension of the water system to their property is recorded as revenue when the customer begins to receive water service. Customer contributions owed to the Utilities Department are recorded as notes receivable and deferred revenue if water service has not yet been extended to the customer. Mortgage receivables owed to the Housing Services Fund when the homeowner purchased the property under the Home Sales program is not owed unless the homeowner sells or refinances the property. These mortgages represent the deferred profit from the sale of the property. Ten percent of the mortgage balance is reduced each year the homeowner owns the property. Deferred revenue is recorded until the homeowner sells the property and the mortgage receivable is paid off.

Presentation of Funds

The accounts of the County are organized on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. The transactions of each fund are summarized in a separate set of self-balancing accounts, which include its assets, liabilities, fund equity, revenues, and expenses/expenditures. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistently with legal and managerial requirements. Governmental funds are reported as major funds in the accompanying financial statements if they meet both of the following criteria:

- *Ten percent criterion* - An individual governmental fund reports at least 10 percent of any of the following: a) total governmental fund assets, b) total governmental fund liabilities, c) total governmental fund revenues, or d) total governmental fund expenditures.
- *Five percent criterion* - An individual governmental fund reports at least 5 percent of the total for both governmental and enterprise funds of any of the items for which it met the 10 percent criterion.

The County reports the following major governmental funds:

General Fund. The General Fund is the general operating fund of the County. It is used to account for all financial activities except those required to be accounted for in other funds. It is funded primarily through property, gross receipts and other miscellaneous taxes.

Developer Fees. This fund was established by the County to account for funds contributed by Las Campanas Limited Partnership and others for affordable housing programs and other projects. The fund was created by the Board of County Commissioners. In prior years this fund had received approximately \$2 million in payments from the private Las Campanas housing development project and the Affordable Housing program, which assists low income persons in the purchase of homes. Current revenue is from interest on the cash balance of this fund and developer funds to assist the affordable housing program. Mortgages funded by developers as part of an affordable housing program are recorded to this fund.

Capital Outlay Gross Receipts Tax Proceeds Fund. This capital project fund receives a 1/4 cent gross receipt tax to be used for various capital projects.

STATE OF NEW MEXICO
SANTA FE COUNTY

Notes to Financial Statements (Continued)

June 30, 2008

(1) Summary of Significant Accounting Policies (Continued)

Presentation of Funds (Continued)

General Obligation Bond Series 2007B – In the fiscal year 2008, voters approved the issuance of a bond in the amount of \$20 million to be used for water and road infrastructure. This capital project fund contains the proceeds of this bond. The debt on this bond is paid with property taxes through the General Obligation Bond Debt Service Fund.

General Obligation Bond Series 2007 — In the Fiscal Year 2007, voters approved the issuance of a bond in the amount of \$25 million to be used for the District Courthouse project. This capital project fund contains the proceeds of this bond. The debt on this bond is paid with property taxes through the General Obligation Bond Debt Service Fund.

The County has the following other non-major funds that are listed on the following pages of this report. Non Major Special Revenue on pages 79 to 81, Non Major Debt Service on page 109 and Non Major Capital Project Funds on page 119 to 120.

The *Fund balance, beginning of year* line item for Major funds on page 20 has been reclassified to include Developer Fees and General Obligation Bond Series 2007B and exclude the EMS and Health Care Fund. The beginning major fund balance has been decreased by \$2,478,940 from the June 30, 2007 issued financial statements.

The *Fund balance, beginning of year* line item for Non-Major funds on page 20 has been reclassified to include the EMS Health Care and EMS Hospital funds and exclude the Developer Fees Fund. The beginning major fund balance has been increased by \$2,478,940 from the June 30, 2007 issued financial statements.

The County has elected to have all of its enterprise funds classified as major funds. The following are the major enterprise funds.

Housing Services. This fund is used to account for the funding and expense of the County's Public Housing Authority. Revenue for this fund is derived from housing rentals and Housing and Urban Development (HUD) grants and subsidies.

Home Sales. This fund is used to account for the construction and sales of housing to eligible buyers of affordable housing.

Utilities Department. This fund is used to account for the funding and expense of the Water and Wastewater utilities of Santa Fe County.

Jail Facility. This fund is used to account for the funding and expense of the County Jail and Juvenile Facility, through charges for care of prisoners from outside jurisdictions, Juvenile Facility building rental, and General Fund transfers.

Regional Planning Authority. This fund is used to account for the funding and expense of the Regional Planning Authority, created by agreement between the City of Santa Fe and Santa Fe County.

STATE OF NEW MEXICO
SANTA FE COUNTY

Notes to Financial Statements (Continued)

June 30, 2008

(1) Summary of Significant Accounting Policies (Continued)

Budgets

Budgets are adopted on a basis inconsistent with generally accepted accounting principles (GAAP). Appropriations of funds unused or overspent during the fiscal year may be carried over into the next fiscal year by budgeting those amounts in the subsequent year's budget. For the June 30, 2008 actual to budget comparisons, the actual amounts are reported on the budgetary basis, which is considered to differ from the modified accrual basis for governmental fund types and accrual basis for the enterprise funds.

Differences between the budgetary basis and GAAP include the following:

1. The budget includes encumbrances (unperformed contracts for goods or services). GAAP does not include encumbrances.
2. The budget does not include certain liabilities, receivables, and depreciation expense for enterprise funds. The GAAP basis financial statements do include these transactions.

Annual appropriated budgets are adopted for the general, special revenue, debt service, capital project and the enterprise funds. The Housing Services enterprise and special revenue budgets are also approved by HUD.

Department heads and elected officials are required to complete budget request forms for each organizational unit. The Board of County Commissioners reviews the budget package and the amended budget is then adopted and approved by resolution. The Finance Department prepares the adopted budget for submission to the Local Government Division (LGD) of the Department of Finance and Administration (DFA) by June 1, for interim approval. Before July 1, DFA grants interim approval of the budget. The County's final annual budget document, which incorporates any changes recommended by DFA/LGD is prepared and submitted to DFA/LGD by July 31. During September, the County's final annual budget is reviewed and certified by DFA/LGD.

After the annual budget is adopted, the following types of adjustments must be approved by the governing body through a resolution and submitted to DFA for review and approval:

- Budget increases
- Transfers of budget or cash between funds
- Budget decreases

Additionally, it is County policy to prepare an internal budget adjustment request form for the following:

- Transfers within organizational units (between expenditure categories)
- Transfers between organizational units (same department and same fund)

Organizational unit budgets are monitored by the Finance Department to ensure that DFA and County policy are being followed. Additionally, a mid-year budget review is conducted which may include a hearing with the County Manager, Finance Department staff, and department heads and elected officials. During the hearing, department goals and objectives and budget status are reviewed. This review may result in budget adjustments.

STATE OF NEW MEXICO
SANTA FE COUNTY

Notes to Financial Statements (Continued)

June 30, 2008

(1) **Summary of Significant Accounting Policies (Continued)**

Annual Budget (Continued)

The legal level of budgetary control is the fund level. Expenditures may not legally exceed budgeted appropriations at the fund level except for the following funds, whose legal level of budgetary authority is at the program or district level:

Emergency Medical Services
Fire Districts

The following funds were not budgeted in 2008:

Rancho Viejo Improvement District
Fire Tax Revenue Bonds Proceeds
NMFA Loan Proceeds
Recreation

Encumbrances

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting is used for purchase orders, contracts, and other commitments for the expenditures of moneys to reserve that portion of the applicable appropriation, as an extension of formal budgetary integration. In Governmental Fund Types, encumbrances outstanding at year-end are reported as reservations of fund balances in governmental funds and do not constitute expenditures or liabilities because the commitments will be honored during the subsequent year.

Equity in Pooled Cash and Investments

Equity in pooled cash and investments includes amounts in demand deposit accounts, money market accounts, certificates of deposit, U.S. Treasury securities, and repurchase agreements secured by collateral with a market value greater than 102% of the value of the agreement. The securities are held by a third party in the County's name. The market value of the repurchase agreements approximate cost at June 30, 2008. Interest earned is allocated to the applicable County funds based on the County's policy of allocating interest to those funds which are required by law or by debt covenants. The remaining interest income is recorded in the General Fund.

State statutes authorize the County to invest excess funds in United States bonds, treasury certificates, or other instruments backed by the full faith and credit of the United States Government and other investments allowed by law. Money market investments with a remaining maturity of one year or less when purchased are stated at cost or amortized cost. U.S. Treasury Securities are accounted for at fair value in accordance with GASB 31.

Statement of Cash Flows

For purposes of reporting cash flows in proprietary funds, cash and cash equivalents include equity in pooled cash and all highly liquid investments with a maturity of three months or less when purchased.

STATE OF NEW MEXICO
SANTA FE COUNTY

Notes to Financial Statements (Continued)

June 30, 2008

(1) Summary of Significant Accounting Policies (Continued)

Property Taxes Receivable

The County is responsible for assessing, collecting and distributing property taxes for its own operational and debt service purposes and for certain outside entities. Unpaid property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on November 1 and are payable in two installments no later than December 10 and May 10. Collections and remittance of property taxes are accounted for in the County Treasurer's Agency Fund. Amounts are recognized as revenue in the applicable governmental fund types under accounting principles generally accepted in the United States. The property taxes receivable for the general fund and for the debt service in the governmental fund financial statements are net of an allowance for uncollectible.

Due From/To Other Funds

These receivables and payables between funds are classified as "due from other funds" or "due to other funds" on the government fund balance sheet. There are no interfund balances that are not expected to be repaid within one year. Balances between governmental activities and business-type activities are shown as internal balances in the government-wide financial statements.

Restricted Assets

Cash, excluding most of the general fund, is reflected as restricted. Certain proceeds from the County's bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants. Also, the cash in the enterprise funds is limited to their specific uses. The tenant security deposits applicable to the rental of housing units by the Housing Services enterprise fund and other Housing Services, and special revenue cash from the Department of Housing and Urban Development is restricted for its purposes.

Capital Assets

Capital assets, which include property, plant, equipment, and computer software are included in the equipment category, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the County as assets with an initial, individual cost of more than \$1,000 and an estimated useful life in excess of one year. Effective July 1, 2006 State law requires capitalization of capital assets greater than \$5,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend assets lives are not capitalized. The County does not have internally developed software and has no capitalized library books. Major outlays for capital assets and improvements are capitalized as projects are constructed. Such assets, including infrastructure, have higher limits that must be met before they are capitalized. The County has no impaired assets.

STATE OF NEW MEXICO
SANTA FE COUNTY

Notes to Financial Statements (Continued)

June 30, 2008

(1) Summary of Significant Accounting Policies (Continued)

Capital Assets (Continued)

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Improvements other than buildings	25-40 years
Buildings and structures	40 years
Machinery and equipment	3-10 years
Furniture and fixtures	5 years
Infrastructure	25-30 years

The County elected in 2003 not to retroactively implement the capitalization of infrastructure assets. In the 2006 fiscal year there was a prior year restatement for the infrastructure. Current 2008 additions have been capitalized.

The Utilities Department consists of engineering costs and other expenses to plan and build a water system. Depreciation expense is recorded by the Utilities Department over the estimated 50 year life of the water system. The Utilities Department depreciates its office furniture, vehicles and other assets over their applicable estimated lives that range from 3 to 5 years. The Housing Services enterprise fund depreciates its fixed assets over the estimated useful lives of the assets as follows: buildings - 40 years, all other assets - 5 years. The Jail Facility is being depreciated over a 40 year life and depreciates its office furniture, vehicles and other assets over their applicable estimated lives that range from 3 to 5 years. Interest expense from the bonds issued to construct the jail was capitalized as part of the construction cost.

Inventories and Assets held for Sale

Inventory items such as general supplies and parts are expensed when purchased since inventories are not material to the June 30, 2008 financial statements. Assets held for sale represent low income housing units available for sale.

Compensated Absences

Amounts of vested or accumulated vacation leave for governmental fund types are reported in the government-wide financial statements. Vested or accumulated vacation leave of proprietary funds is recorded as an expense and liability of those funds as the benefits accrue to employees, in accordance with the provisions of governmental accounting. No liability is recorded for nonvesting accumulating sick leave benefits that are estimated, will be taken as "terminal leave" prior to retirement, or converted to annual leave during continued employment.

Long-term Obligations

In the government-wide financial statements and proprietary fund types, long-term debt and other long-term obligations are recognized as a liability in the applicable governmental activities, business type activities or proprietary fund type statement of net assets. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund. The remaining portion of such external debt is reported in the government-wide financial statements. Long-term liabilities expected to be financed from proprietary fund operations are accounted for in those funds. The County had no short-term debt activity for the year.

STATE OF NEW MEXICO
SANTA FE COUNTY

Notes to Financial Statements (Continued)

June 30, 2008

(1) **Summary of Significant Accounting Policies (Continued)**

Fund Equity

The County follows GASB Statement No. 46, *Net Assets Restricted by Enabling Legislation*, an amendment of GASB Statement 34, which clarified the criteria of net assets restricted related to enabling legislation.

Reserves in governmental funds represent those portions of fund equity not appropriable for expenditure or legally segregated for a specific future use. Designated fund balances represent tentative plans for future use of financial resources.

Reserved for subsequent years' expenditures - This represents the amounts, other than carryover expenditures, which are designated for subsequent year expenditures in accordance with grantor statutes

This includes the amounts required by the New Mexico Department of Finance and Administration for budgeted expenditures reserved to maintain adequate cash flow for contingency purposes.

Unreserved - Undesignated - This represents the excess of assets over liabilities of a governmental fund, which have not been reserved or designated for any purpose. These monies are available for unrestricted use by the County.

Bond Discounts and Issuance Costs

In governmental fund types, bond discounts and issuance costs are recognized in the period incurred. Bond discounts and issuance costs for proprietary funds and in the government-wide financial statements are deferred and amortized over the term of the bonds using the debt-outstanding method, which approximates the effective interest method. Bond discounts are presented as a reduction of the face amount of bonds payable, whereas issuance costs are recorded as deferred charges.

Interfund Transactions

Interfund transactions are accounted for as revenues, expenditures, or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed. These transactions are not eliminated in the government-wide financial statements.

All other interfund transactions, except reimbursements, are reported as operating transfers. Contributions to the enterprise funds by the governmental funds of fixed assets are classified as non-operating revenue.

Use of Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities as of the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

STATE OF NEW MEXICO
SANTA FE COUNTY

Notes to Financial Statements (Continued)

June 30, 2008

(2) Pooled cash and Investments

The following is a summary of pooled cash and investments at June 30, 2008:

	Government-Wide Statement of Net Assets			Fiduciary Fund Financial Statements	Total
	Governmental Activities	Business- Type Activities	Total	Fiduciary Funds Statement of Net Assets	
Cash and investments	<u>\$ 41,451,376</u>	<u>\$ -</u>	<u>\$ 41,451,376</u>	<u>\$ -</u>	<u>\$ 41,451,376</u>
Restricted cash and investments	<u>\$ 117,082,700</u>	<u>\$ 21,995,545</u>	<u>\$ 139,078,245</u>	<u>\$ 2,376,415</u>	<u>\$ 141,454,660</u>
Total cash and investments					<u>\$ 182,906,036</u>

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The way that the County manages its exposure to interest rate risk is by investing in shorter term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations. Thus, most of the investments have call provisions which would be exercised within one year. Investments in Federal Agency securities with maturities greater than one year but less than two years totaled \$3,521,900 at June 30, 2008. The County's investments in certificates of deposit are non-negotiable certificates of deposit which can be redeemed before maturity without loss of principal balance.

STATE OF NEW MEXICO
SANTA FE COUNTY

Notes to Financial Statements (Continued)

June 30, 2008

(2) Pooled Cash and Investments (Continued)

The following are securities with a scheduled maturity greater than 2 years and whose cost approximates market.

Security	Scheduled Maturity	Call Date	Fair Value
Federal Farm Credit Bank	07/30/10	07/30/08	\$ 2,500,000
Scheduled maturity before 6/30/2011			<u>2,500,000</u>
Federal Home Loan Bank	11/07/11	11/07/08	1,000,000
Federal Farm Credit Bank	02/13/12	11/13/08	1,991,830
Federal National Mortgage Association	06/27/12	09/27/08	4,000,000
Federal Home Loan Bank	10/09/12	10/09/08	1,000,000
Federal Farm Credit Bank	10/15/12	10/15/09	1,000,000
Federal Home Loan Bank	10/30/12	10/30/08	1,999,136
Federal Home Loan Bank	11/28/12	08/28/08	3,000,000
Federal National Mortgage Association	12/19/12	12/19/12	2,000,000
Federal National Mortgage Association	06/24/13	09/24/08	2,500,000
Scheduled maturity before 6/30/2013			<u>18,490,966</u>
Federal Home Loan Bank	07/09/13	07/09/08	1,772,500
Federal Home Loan Mortgage Corporation	12/12/13	12/12/08	426,940
Federal Home Loan Mortgage Corporation	04/01/14	04/01/09	1,500,000
Federal Home Loan Bank	11/19/14	11/19/08	1,999,084
Federal Home Loan Bank	12/12/14	09/15/08	2,000,000
Scheduled maturity before 6/30/2015			<u>7,698,524</u>
Federal Home Loan Mortgage Corporation	12/11/15	12/11/08	2,500,000
Federal Home Loan Bank	08/19/16	11/11/08	2,000,000
Scheduled maturity before 6/30/2017			<u>4,500,000</u>
Federal National Mortgage Association	11/28/17	11/28/08	2,000,000
Federal Home Loan Mortgage Corporation	12/18/17	12/18/08	9,973,279
Federal Home Loan Bank	02/13/18	11/11/08	2,000,000
Federal National Mortgage Association	03/05/18	12/05/08	1,996,374
Federal National Mortgage Association	03/05/18	12/05/08	2,000,000
Scheduled maturity before 6/30/2019			<u>17,969,653</u>
Federal Home Loan Mortgage Corporation	01/23/20	01/23/09	1,990,345
Federal Loan Bank	02/08/23	11/08/08	3,509,148
Scheduled maturity before 6/30/2023			<u>5,499,493</u>
			<u>\$ 56,658,636</u>

STATE OF NEW MEXICO
SANTA FE COUNTY

Notes to Financial Statements (Continued)

June 30, 2008

(2) Pooled Cash and Investments (Continued)

The County follows the practice of pooling cash and investments of all funds, except for some of the debt service funds and certain other funds. Each fund's portion of total cash and investments is reflected in the balance sheet as equity in pooled cash and investments.

Pooled cash and investments held by the County include cash on deposit with financial institutions, money market accounts, certificates of deposit, repurchase agreements, federal agencies, treasury notes and treasury bills and mutual funds invested in government securities. The County investments comply with State law. Deposits are secured by both federal depository insurance and collateral pledged in the County's name held by a third party. Under New Mexico law, all deposits with financial institutions must be collateralized in an amount not less than 50% of the uninsured balance. Market values of all cash, deposits and investments with a maturity of one year or less at the time of the purchase approximate the cost of those assets.

The County did not participate in any reverse repurchase agreements or security lending agreements during the current fiscal year. The County also has no deposits or investments exposed to foreign currency risk.

All of the County's investments are insured, registered and the County's agent holds the securities in the County's name, therefore the County is not exposed to custodial credit risk.

Investments in securities of any individual issues, other than U.S. Treasury securities, mutual funds, local government investment pool, that represent 5% or more of the total government-wide investments at June 30, 2008 are as follows:

	<u>Investment Type</u>	<u>Amount</u>	<u>% of Investments</u>
Governmental Activities	FNMA	\$ 17,483,844	12%
	Federal Home Loan Mortgage Association	14,400,219	10%
	FHLB securities	<u>21,804,643</u>	<u>15%</u>
	Total Federal agencies	<u>53,688,706</u>	<u>37%</u>
	Repurchase agreements	<u>12,658,596</u>	<u>9%</u>
Business-type Activities	None over 5%	<u>-</u>	<u>-</u>

STATE OF NEW MEXICO
SANTA FE COUNTY

Notes to Financial Statements (Continued)

June 30, 2008

2) Pooled Cash and Investments (Continued)

Investments in securities of any individual issuers, other than U.S. Treasury securities, mutual funds, local government investment pools that represent five percent of the total investments by individual funds are as follow:

		<u>Amount</u>	<u>% of Investments</u>
Jail Facility	Repurchase agreement	<u>\$ 2,249,600</u>	<u>100%</u>
Sheriff's Facility Bond Reserve	Repurchase agreement	<u>\$ 425,905</u>	<u>100%</u>

The carrying amounts of the County's deposits at financial institutions as of June 30, 2008, were \$35,375,769. Bank balances before reconciling items were \$37,383,283 at June 30, 2008. Custodial credit risk is the risk that in the event of a bank failure, the County's deposits may not be recovered. Under New Mexico law, all deposits with financial institutions must be collateralized in an amount not less than 50% of the uninsured balance. The County has sufficient insurance and collateral for all deposits at June 30, 2008. (See pages 149-152) for the detailed schedule.

STATE OF NEW MEXICO
SANTA FE COUNTY

Notes to Financial Statements (Continued)

June 30, 2008

(2) Pooled Cash and Investments (Continued)

Credit risk for investments is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by Standard and Poor's, a nationally recognized statistical rating organization.

	Credit Quality Ratings	Carrying Amount
Petty cash and change funds	Not applicable	\$ 2,443
Total deposits	Not rated	35,375,769
Local government investment pool - invested by the State of New Mexico, Office of the State Treasurer for the County, recorded at cost in accordance with GASB 31	AAA	64,582,334
Cash held by NM Finance Authority which is on deposit with the State Treasurer	Not rated	21
Repurchase agreements	Not rated	15,334,482
Federal Agency Securities	AAA	60,180,536
U.S. Treasury cash reserves mutual fund accounts	Not applicable	7,430,451
Total investments		82,945,490
Total - all County deposits and investments		\$ 182,906,036
Amounts per financial statements:		
Agency funds equity in pooled cash and investments		\$ 2,376,415
Governmental Funds equity in pooled cash and investments - unrestricted		41,451,376
Governmental Funds equity in pooled cash and investments - restricted		117,082,700
Enterprise Funds equity in pooled cash and investments		21,995,545
		\$ 182,906,036

The County's investments are held by agents of the County in the County's name. Repurchase agreements are collateralized in accordance with state law with securities issued by the U.S. Treasury or fully guaranteed as to payment by an agency of the U.S. government, and are secured with collateral held by third parties in the name of the County at a value of 102% of the repurchase agreement.

STATE OF NEW MEXICO
SANTA FE COUNTY

Notes to Financial Statements (Continued)

June 30, 2008

(2) Pooled Cash and Investments (Continued)

Market value is based on quoted market prices at year-end, costs approximate market value. Total investment income for the County for the year ended June 30, 2008 was \$8,445,489.

The State Treasurer Local Government Investment Pool is not SEC registered. Section 6-10-10 I, NMSA 1978 empowers the State Treasurer, with the advice and consent of the State Board of Finance, to invest money held in the short-term investment fund in securities that are issued by the United States government or by its departments or agencies and are issued by the United States government or by its departments or agencies and are either direct obligations of the United States or are backed by the full faiths and credit of the United States government or are agencies sponsored by the United States government that have AAA credit quality ratings. The Local Government Investment Pool investments are monitored by the same investment committee and the same policies and procedures that apply to all other state investments. In respect to credit risk, the Local Government Investment Pool is rated AAA by Standard & Poor's. The weighted average maturity at June 30, 2008 was 46 days, which reduces the pool's interest rate risk.

The pool does not have unit shares. Per Section 6-10-10. IF, NMSA 1978, at the end of each month all interest earned is distributed by the State Treasurer to contributing entities in amounts directly proportionate to the respective amounts deposited in the fund and the length of time the fund amounts were invested. Participation in the local government investment pool is voluntary.

STATE OF NEW MEXICO
SANTA FE COUNTY

Notes to Financial Statements (Continued)

June 30, 2008

(3) Interfund Assets and Liabilities

The Interfund Assets and Liabilities reported in the governmental fund balance sheet consist of the following:

	Receivables	Payables
General	\$ 593,466	\$ -
Non Major Special Revenue Funds:		
CFP Program	-	231,623
Total Special Revenue Funds	-	231,623
Non Major Debt Service Funds:		
Fire Tax Revenue Bonds	-	5,719
Total Debt Service Funds	-	5,719
Non Major Capital Projects Funds:		
State Special Appropriation	-	361,843
Bond Proceeds - Fire Tax	5,719	-
Total Capital Projects Funds	5,719	361,843
Total County	\$ 599,185	\$ 599,185

All of the interfund receivables and payables are between the general fund and the other funds except for the \$5,719 interfund balance between the Fire Tax Revenue Bonds and Bond Proceeds - Fire Tax Funds, and are expected to be repaid within the next Fiscal Year.

STATE OF NEW MEXICO
SANTA FE COUNTY

Notes to Financial Statements (Continued)

June 30, 2008

(3) Interfund Assets and Liabilities (Continued)

Interfund Transactions

The county records transfers to fund the operations and projects of other funds to provide debt service and as otherwise needed and required.

	Transfers in (from other funds)	Transfers out (to other funds)	Major Funds										Total				
			General	Capital Outlay Gross Receipts Tax	Housing Services	Utilities Department	Jail Facility	Regional Planning Authority	Home Sales	General Obligation Bond Series 2007	General Obligation Bond Series 2007B	Other Non-Major Governmental					
General	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,217,000	\$ 1,239,558
Capital Outlay Gross Receipts Tax	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	100,000
Housing Services	103	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	103
Utilities Department	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Jail Facility	4,429,123	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4,950,000	9,379,123
Regional Planning Authority	100,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	100,000
Home Sales	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,057,034	2,057,034
General Obligation Bond Series 2007	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
General Obligation Bond Series 2007B	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Non-Major Governmental	5,567,987	220,545	-	-	-	-	-	-	-	-	-	-	-	-	-	1,258,988	7,047,520
Total	\$ 10,097,213	\$ 220,545	\$ -	\$ -	\$ -	\$ -	\$ 22,558	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,583,022	\$ 19,923,338

Significant transfers from the General Fund included transfers totaling \$4,429,123 for the operation of the Jail Facility, \$2,281,696 to the Road Fund for road maintenance and road projects, and \$1,900,000 to Economic Development. The Environmental Revenue Bond Fund transferred \$840,000 to the General Fund. The Jail Facility received \$4,800,000 from the Corrections GRT Fund and \$150,000 from the Corrections Fee Fund. The Home Sales Fund received \$2,057,034 from the Housing Special Grants Fund. Also, EMS Health Care received \$1,000,000 from the Fire Operations Fund.

STATE OF NEW MEXICO
SANTA FE COUNTY

Notes to Financial Statements (Continued)

June 30, 2008

(3) Interfund Assets and Liabilities (Continued)

Interfund Transactions

Transfers from the governmental activities to the business type activities consist of transfers and contributed capital from the governmental fund to the business type funds in the government-wide financial statements, and consist of the following:

Transfers in	\$	11,536,260
Transfers out		(22,558)
Contributed capital		<u>18,265,579</u>
Transfers per page 17	\$	<u><u>29,779,281</u></u>

(4) Capital Assets

The changes in Capital Assets for the year ended June 30, 2008 are as follows:

	June 30, 2007 Balance	Restatement	June 30, 2007 Restated Balance	Additions & transfers	Deletions	June 30, 2008 Balance
Government activities:						
Non depreciable assets						
Land	\$ 21,040,813	\$ -	\$ 21,040,813	\$ 4,273,340	\$ -	\$ 25,314,153
Right of way land	5,465,283	-	5,465,283	-	-	5,465,283
Assets being depreciated						
Buildings and improvements	44,327,113	-	44,327,113	20,007,139	-	64,334,252
Infrastructure	36,207,064	-	36,207,064	83,541	-	36,290,605
Equipment and vehicles	38,272,701	424,993	38,697,694	3,579,853	(1,134,480)	41,143,067
Furniture and fixtures	949,129	168,791	1,117,920	190,631	-	1,308,551
	<u>146,262,103</u>	<u>593,784</u>	<u>146,855,887</u>	<u>28,134,504</u>	<u>(1,134,480)</u>	<u>173,855,911</u>
Accumulated depreciation						
Buildings and improvements	(27,355,032)	-	(27,355,032)	(924,480)	-	(28,279,512)
Infrastructure	(13,123,376)	-	(13,123,376)	(926,689)	-	(14,050,065)
Equipment and vehicles	(35,736,816)	-	(35,736,816)	(1,081,250)	1,091,074	(35,726,992)
Furniture and fixtures	(792,187)	-	(792,187)	(73,766)	-	(865,953)
Total accumulated depreciation	<u>(77,007,411)</u>	<u>-</u>	<u>(77,007,411)</u>	<u>(3,006,185)</u>	<u>1,091,074</u>	<u>(78,922,522)</u>
Governmental activities capital assets, net	<u>\$ 69,254,692</u>	<u>\$ 593,784</u>	<u>\$ 69,848,476</u>	<u>\$ 25,128,319</u>	<u>\$ (43,406)</u>	<u>\$ 94,933,389</u>

STATE OF NEW MEXICO
SANTA FE COUNTY

Notes to Financial Statements (Continued)

June 30, 2008

(4) **Capital Assets (Continued)**

Depreciation expense was charged to the following functions of the County:

Governmental activities		
General government	\$	1,249,071
Public safety		946,947
Health and welfare		163,837
Culture and recreation		23,448
Highways and streets		<u>622,882</u>
Total depreciation expense	\$	<u><u>3,006,185</u></u>

STATE OF NEW MEXICO
SANTA FE COUNTY

Notes to Financial Statements (Continued)

June 30, 2008

(4) Capital Assets (continued)

The following is a summary of proprietary funds' capital assets at June 30, 2008:

	June 30, 2007 Balance	Additions	Deletions	June 30, 2008 Balance
Business-type activities:				
Housing Services				
Land	\$ 611,595	\$ -	\$ -	\$ 611,595
Assets being depreciated				
Equipment and vehicles	441,899	1,265	(1,730)	441,434
Buildings and improvements	6,097,266	-	-	6,097,266
	<u>7,150,760</u>	<u>1,265</u>	<u>(1,730)</u>	<u>7,150,295</u>
Less: Accumulated depreciation				
Equipment and vehicles	(441,899)	(253)	1,730	(440,422)
Buildings and improvements	(3,382,863)	(67,860)	-	(3,450,723)
Total accumulated depreciation	<u>(3,824,762)</u>	<u>(68,113)</u>	<u>1,730</u>	<u>(3,891,145)</u>
Net fixed assets	<u>\$ 3,325,998</u>	<u>\$ (66,848)</u>	<u>\$ -</u>	<u>\$ 3,259,150</u>
Utilities Department				
Land	\$ 1,347,625	\$ -	\$ -	\$ 1,347,625
Assets being depreciated				
Water system	9,061,945	18,085,579	-	27,147,524
Office equipment, furniture and vehicles	432,792	27,839	(16,827)	443,804
	<u>10,842,362</u>	<u>18,113,418</u>	<u>(16,827)</u>	<u>28,938,953</u>
Less: Accumulated depreciation				
Water system	(1,563,328)	(181,239)	-	(1,744,567)
Office equipment, furniture and vehicles	(229,974)	(42,766)	16,827	(255,913)
Total accumulated depreciation	<u>(1,793,302)</u>	<u>(224,005)</u>	<u>16,827</u>	<u>(2,000,480)</u>
Net fixed assets	<u>\$ 9,049,060</u>	<u>\$ 17,889,413</u>	<u>\$ -</u>	<u>\$ 26,938,473</u>
Jail facility				
Land	\$ 126,781	\$ -	\$ -	\$ 126,781
Assets being depreciated				
Jail facility	27,256,240	26,133	-	27,282,373
Office equipment and furniture and vehicles	2,557,101	92,881	(114,202)	2,535,780
	<u>29,940,122</u>	<u>119,014</u>	<u>(114,202)</u>	<u>29,944,934</u>
Less: Accumulated depreciation				
Jail facility	(6,100,787)	(682,059)	-	\$ (6,782,846)
Office equipment and furniture and vehicles	(1,407,172)	(225,721)	114,202	\$ (1,518,691)
Total accumulated depreciation	<u>(7,507,959)</u>	<u>(907,780)</u>	<u>114,202</u>	<u>(8,301,537)</u>
Business-type activities				
Net fixed assets	<u>\$ 22,432,163</u>	<u>\$ (788,766)</u>	<u>\$ -</u>	<u>\$ 21,643,397</u>

STATE OF NEW MEXICO
SANTA FE COUNTY

Notes to Financial Statements (Continued)

June 30, 2008

(4) Capital Assets (Continued)

	<u>June 30, 2007</u> Balance	<u>Additions</u>	<u>Deletions and</u> <u>transfers</u>	<u>June 30, 2008</u> Balance
Regional Planning Authority Equipment and machinery	\$ 7,650	\$ -	\$ -	\$ 7,650
Less: Accumulated depreciation Equipment and machinery	<u>(3,795)</u>	<u>(771)</u>	<u>-</u>	<u>\$ (4,566)</u>
Total accumulated depreciation	<u>(3,795)</u>	<u>(771)</u>	<u>-</u>	<u>(4,566)</u>
Net fixed assets	<u>\$ 3,855</u>	<u>\$ (771)</u>	<u>\$ -</u>	<u>\$ 3,084</u>

Depreciation expense was \$68,113 for Housing Services, \$539,547 for the Utilities Department, \$755,261 for the Jail Facility and \$771 for the Regional Planning Authority for the year ended June 30, 2008, respectively.

(5) Receivables, Notes and Mortgage Receivables

The following is a summary of receivables for the government-wide financial statements at June 30, 2008.

	<u>Governmental</u> <u>Activities</u>	<u>Business-Type</u> <u>Activities</u>
Accounts	\$ 3,974,436	\$ 4,918,757
Taxes		
Property	5,015,979	-
Gross receipts	8,070,355	-
Other	424,177	-
Interest	837,717	65,839
Grantor and other	<u>3,747,967</u>	<u>2,792</u>
	22,070,631	4,987,388
Allowance for uncollectible	<u>(2,221,568)</u>	<u>(2,751,706)</u>
Total receivables, net	<u>\$ 19,849,063</u>	<u>\$ 2,235,682</u>
Mortgage receivables, net	<u>\$ 11,229,111</u>	<u>\$ 174,817</u>

The County has a \$200,000 allowance on mortgages since the County incurred a loss of \$100,699 on one of its mortgages during the 2008 fiscal year, (see page 165). The mortgages are secured by real estate.

STATE OF NEW MEXICO
SANTA FE COUNTY

Notes to Financial Statements (Continued)

June 30, 2008

(6) Long-Term Obligations

The following is a summary of long-term obligations of the County for the year ended June 30, 2008:

	June 30, 2007		June 30, 2007		Deletions	June 30, 2008		Due within one year
	Balance	Restatement	Restated Balance	Additions		Balance	Balance	
Governmental Activities								
General obligation and gross receipt bonds	\$ 79,428,998	\$ -	\$ 79,428,998	\$ 20,000,000	\$ (6,585,000)	\$ 92,843,998	\$ 7,898,998	
Landfill closure and postclosure care costs	2,000,058	-	2,000,058	-	(12,168)	1,987,890	2,138	
Capital lease obligations	121,485	-	121,485	-	-	121,485	-	
Compensated absences	2,579,648	221,327	2,800,975	2,541,485	(2,233,376)	3,109,084	3,109,084	
Bonds payable issued via NMFA Component Unit - Rancho Viejo Improvement District	572,648	-	572,648	-	(281,915)	290,733	290,733	
Total Debt	1,780,000	-	1,780,000	-	(35,000)	1,745,000	40,000	
Plus Bond Premium	86,482,837	221,327	86,704,164	22,541,485	(9,147,459)	100,098,190	11,340,953	
Less deferred amounts on refunding	131,112	-	131,112	45,151	(15,422)	160,841	15,987	
Deferred issuance costs	(89,120)	-	(89,120)	-	11,000	(78,120)	(11,000)	
Total Debt Net	(229,127)	-	(229,127)	(122,221)	21,398	(329,950)	(22,926)	
	\$ 86,295,702	\$ 221,327	\$ 86,517,029	\$ 22,464,415	\$ (9,130,483)	\$ 99,850,961	\$ 11,323,014	

STATE OF NEW MEXICO
SANTA FE COUNTY

Notes to Financial Statements (Continued)

June 30, 2008

(6) Long-Term Obligations (Continued)

The governmental funds, primarily the general fund, has paid for compensated absences for the year ended June 30, 2008.

Business Type	June 30, 2007	Additions	Deletions	June 30, 2008	Due within
	Balance			Balance	one year
HUD notes payable	\$ 4,948,443	\$ -	\$ (121,011)	\$ 4,827,432	\$ 129,020
HUD interest payable	5,702,262	256,151	-	5,958,413	-
Jail facility	26,310,000	-	(775,000)	25,535,000	810,000
	<u>\$36,960,705</u>	<u>\$ 256,151</u>	<u>\$ (896,011)</u>	<u>\$36,320,845</u>	<u>\$ 939,020</u>

General obligation and gross receipts bonds consist of the following issues:

Proceeds from prior years' general obligation bonds have been used for capital projects, open space, refunding, road improvements and a regional landfill and are payable from the County's collection of property taxes. Debt service payments are made by the debt service funds

Date Issued	Interest Rate	Final Maturity Date	Original Bond Amount	June 30, 2008 Balance	Due within one year
February 1, 1997	4.1-57%	2027	\$ 6,000,000	\$ 4,805,000	\$ 155,000
June 15, 1999	4.5-7.0%	2018	12,000,000	11,820,000	470,000
May 1, 2001	4.4-5.5%	2018	8,500,000	5,470,000	785,000
November 1, 2001	4.0-4.625%	2017	8,000,000	5,415,000	500,000
June 13, 2003	1.18-2.80%	2008	2,293,998	333,998	333,998
August 18, 2005	3.25-4.192%	2016	8,490,000	7,950,000	655,000
December 6, 2005	4.0-5.5%	2026	20,000,000	12,450,000	500,000
March 8, 2007	4.0-5.0%	2026	25,000,000	24,600,000	2,800,000
October 16, 2007	4.0-5.5%	2027	20,000,000	20,000,000	1,700,000
			<u>\$ 110,283,998</u>	<u>\$ 92,843,998</u>	<u>\$ 7,898,998</u>

During the 2008 fiscal year, the County issued \$20,000,000 of Series 2007B General Obligation Bonds secured by the County's property tax revenue to provide funds for water and road infrastructure. The interest rates range from 4% to 5.5% with the final bond payments due July 1, 2027.

STATE OF NEW MEXICO
SANTA FE COUNTY

Notes to Financial Statements (Continued)

June 30, 2008

(6) Long-Term Obligations (Continued)

During 2007, the County issued \$25,000,000 of General Obligation Bonds secured by the County's property tax revenue to provide funds for the construction of the Judicial Building. The interest rates range from 4.0% - 5.0% with the final bond payments due July 1, 2026.

During December 2005, the County issued \$20,000,000 of General Obligation Bonds secured by property tax revenue to provide funds for various road projects, equipment, water rights and water improvement projects as specified by the bond agreement. The interest rates range from 4.0% to 5.5% with the final bond payments due July 1, 2026.

On August 18, 2005, the County issued \$8,490,000 in General Obligation Bonds Series 2005 with an average interest rate of 3.6 percent to advance refund \$8,380,000 of outstanding 1997 Series bonds with an average interest rate of 5.2 percent. The net proceeds of \$8,520,145 (after payment of \$82,010 in underwriting fees, insurance, and other issuance costs) plus an additional \$35,964 of 1997 Debt Service funds were used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the 1997 Series bonds. As a result, these 1997 Series bonds are considered to be defeased and the liability for those bonds has been removed from the government-wide statement of net assets.

The advance refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debts of \$110,000. This difference of \$78,120 at June 30, 2008, reported in the accompanying financial statements as a deduction from bonds payable, is being charged to operations through the year 2016 using the effective-interest method.

The County completed the advance refunding to reduce its total debt service payments over the next ten years by \$724,935 and to obtain an economic gain (difference between the present values of the old and new debt service payments) of approximately \$255,000.

During 2006, the County issued \$888,889 of bonds via the NM Finance Authority for acquiring real property secured by the County's gross receipts taxes. \$88,889 of the bond proceeds were set aside for debt service.

<u>Date Issued</u>	<u>Interest Rate</u>	<u>Final Maturity Date</u>	<u>Original Bond Amount</u>	<u>June 30, 2008 Balance</u>	<u>Due within One year</u>
May 1, 2006	2.64-2.99%	2009	<u>\$ 888,889</u>	<u>\$ 290,733</u>	<u>\$ 290,733</u>

STATE OF NEW MEXICO
SANTA FE COUNTY

Notes to Financial Statements (Continued)

June 30, 2008

(6) Long-Term Obligations (Continued)

Scheduled maturities of general obligation, gross receipts and bonds payable issued through the NMFA are as follows for the years subsequent to June 30, 2008

<u>Years Ending</u>	<u>Principal</u>	<u>Interest</u>
2009	\$ 8,189,731	\$ 4,183,540
2010	4,545,000	3,711,183
2011	4,445,000	3,518,848
2012	4,350,000	3,333,690
2013	4,490,000	3,144,780
2014-2018	22,885,000	12,833,929
2019-2023	18,115,000	8,343,356
2024-2028	26,115,000	3,480,575
	<u>\$ 93,134,731</u>	<u>\$ 42,549,901</u>

Capitalized Lease Obligations

The County is obligated under the following leases accounted for as capital leases:

State Board of Finance, payable annually at \$5,350, Interest free. Secured by voting machines with final payment due December 2013	\$ 26,750
State Board of Finance, payable annually at \$7,133, Interest free. Secured by voting machines with final payment due December 2015	49,935
State Board of Finance, payable annually at \$11,200, Interest free. Secured by voting machines with final payment due December 2012	<u>44,800</u>
	<u>\$ 121,485</u>

STATE OF NEW MEXICO
SANTA FE COUNTY

Notes to Financial Statements (Continued)

June 30, 2008

(6) **Long-Term Obligations (Continued)**

Capitalized Lease Obligation (Continued)

The future minimum lease payments under capital leases for the County are as follows:

<u>Years Ending</u>	
2009	\$ -
2010	23,683
2011	23,683
2012	23,683
2013	23,683
2014-2016	<u>26,753</u>
	<u>\$ 121,485</u>

On July 18, 2006, the Board of Finance granted a one year moratorium on Voting Machine Revolving Fund Loan payments due to the passing of Senate Bill 295. The moratorium has been extended through 2009.

Landfill Closure and Postclosure Care Cost

The County follows GASB Statement No. 18, which requires that the current cost of landfill closure and postclosure care be recognized over the estimated life of the landfill.

State and federal laws and regulations require the County to place a final cover on the County-operated landfill when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Although closure and postclosure care costs will be incurred after the date the landfill stops accepting waste, the County reports these closure and postclosure care costs as a liability as of each balance sheet date. The County closed the landfill during fiscal year 1997. The \$1,987,890 reported as landfill closure and postclosure care liability at June 30, 2008 represents management's estimate based on an expert hired to estimate the costs for standard monitoring and compliance to 2027. Annual ground water monitoring has demonstrated the County is in compliance with ground water contamination. The County is required to perform monitoring of the ground water every five years. The County estimates it will not expend any significant monies for postclosure costs in the next fiscal year. Current year expenditures of \$12,168 were paid by the General Fund. These amounts are based on what it would cost to perform all closure and postclosure care in fiscal 2008. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

STATE OF NEW MEXICO
SANTA FE COUNTY

Notes to Financial Statements (Continued)

June 30, 2008

(6) Long-Term Obligations (Continued)

Compensated Absences

A long-term liability amounting to \$3,109,084 at June 30, 2008 has been recorded representing the County's commitment to fund compensated absences from future operations. Vacation, compensating time and sick leave earned is cumulative; however, vacation time is limited to 240 hours that can be carried forward to the next calendar year. Excess time up to eighty hours can be sold back to the County if sufficient funding is available every January. Sick leave accumulated in excess of 240 hours is payable to employees at a rate equal to 50 percent of their hourly rate upon retirement. Employees can earn a maximum of 45 hours of compensatory time.

Prior Year Defeasance of Debt

In 2006, the County defeased \$8,380,000 of the 1997 bonds. Accordingly, the trust account assets and the liabilities for the defeased bonds are not included in the County's financial statements. On June 30, 2008, \$7,370,000 of the 1997 bonds outstanding are considered defeased. The 1990 Facilities Project Revenue Bonds were paid off in 2008.

Rancho Viejo Improvement District Bonds

The County issued \$1,950,000 of 7.25% Rancho Viejo Improvement District Bonds during the 2000 fiscal year to provide assistance in the development of land within the Rancho Viejo Improvement District (District). These bonds are secured by a ten dollar per one thousand dollars of net taxable value within the District.

Proceeds were used for the water system and roads which had been donated to the County. Any remaining funds from the assessments from the property owners revert to the County after the debt is paid off. Effective July 1, 2003, because of the implementation of GASB 39, the District is a component unit of the County and the debt service activity and corresponding debt is included in the County's financial statements. The following is the debt service requirement for these bonds.

STATE OF NEW MEXICO
SANTA FE COUNTY

Notes to Financial Statements (Continued)

June 30, 2008

(6) Long-Term Obligations (Continued)

Rancho Viejo Improvement District Bonds (Continued)

<u>Years Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2009	\$ 40,000	\$ 126,512	\$ 166,512
2010	40,000	123,612	163,612
2011	45,000	120,712	165,712
2012	45,000	117,450	162,450
2013-2017	285,000	532,150	817,150
2018-2022	405,000	413,250	818,250
2023-2027	585,000	242,150	827,150
2028-2029	300,000	32,988	332,988
	<u>\$ 1,745,000</u>	<u>\$ 1,708,824</u>	<u>\$ 3,453,824</u>

Notes Payable - (Housing Services Enterprise Fund)

The Housing Services Enterprise Fund has the following notes payable due to the Department of Housing and Urban Development (HUD). The long-term debt at June 30, 2008 was as follows:

Notes payable issued on December 10, 1982 for \$2,677,358 at 6.6% interest. Annual payments of \$201,717 due on November 1 with a maturity date of November 1, 2014. Payments of principal and interest are made by or forgiven by HUD on the Housing Authority's behalf	\$ 1,102,158
Other notes payable to HUD at various interest rates and terms	<u>3,725,274</u>
Total long-term debt	4,827,432
Less: current portion	<u>129,020</u>
Total long-term portion	<u>\$ 4,698,412</u>

No payments are being made on the other notes payable to HUD. The remaining debt and related interest is expected to be forgiven by HUD in the future.

STATE OF NEW MEXICO
SANTA FE COUNTY

Notes to Financial Statements (Continued)

June 30, 2008

(6) Long-Term Obligations (Continued)

Notes Payable - (Housing Services Enterprise Fund) (Continued)

The aggregate maturities of the Housing Services long-term debt at June 30, 2008 are as follows:

<u>Years Ending</u>	<u>Principal Amount Payable</u>
2009	\$ 129,020
2010	137,029
2011	145,038
2012	153,047
2013	167,085
2014-2018	357,647
2019-thereafter	<u>3,738,566</u>
Total	<u>\$ 4,827,432</u>

Correctional System Revenue Bonds (Jail Facility Enterprise Fund)

During February 1997, the County issued \$30,000,000 of Correctional System Revenue Bonds. The County has used a substantial portion of the proceeds to construct a new adult detention facility in Santa Fe County. A portion of the proceeds may also be used to renovate the existing County detention facility into a juvenile facility. At June 30, 2008, interest rates range from 4.1% to 6.0%. The bonds are secured by the jail facility and income derived from the jail facility.

The maturities of the jail facility's long-term debt at June 30, 2008, is as follows:

<u>Years Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2009	\$ 810,000	\$ 1,435,790	\$ 2,245,790
2010	850,000	1,394,480	2,244,480
2011	895,000	1,350,280	2,245,280
2012	945,000	1,303,740	2,248,740
2013	995,000	1,254,600	2,249,600
2014-2018	5,755,000	5,476,750	11,231,750
2019-2023	7,500,000	3,738,000	11,238,000
2024-2027	<u>7,785,000</u>	<u>1,201,800</u>	<u>8,986,800</u>
	<u>\$ 25,535,000</u>	<u>\$ 17,155,440</u>	<u>\$ 42,690,440</u>

STATE OF NEW MEXICO
SANTA FE COUNTY

Notes to Financial Statements (Continued)

June 30, 2008

(6) **Long-Term Obligations (Continued)**

Conduit Debt Obligations

The County has issued Project Revenue Bonds to provide assistance for the El Castillo Retirement Residences Project. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. The County is not obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

As of June 30, 2008, there were two series of Project Revenue Bonds outstanding, with an aggregate principal amount payable of \$13,950,000.

The County issued \$3,000,000 multi-family Housing Revenue Bonds in August 1998 to provide assistance for the construction of the Villa Grande Apartments. The bonds are secured by the revenues and mortgage of the property. The County is not obligated in any manner for repayment of these bonds. Accordingly, these bonds are not reported as liabilities in the accompanying financial statements. At June 30, 2008, the amount of bonds outstanding were \$2,970,000.

Total conduit debt outstanding at June 30, 2008 was \$16,920,000.

(7) **Retirement, Health and Deferred Compensation Plans**

PERA Retirement Plan

Plan Description. Substantially all of the County's full-time employees participate in a public employee retirement system authorized under the Public Employees Retirement Act (Chapter 10, Article 11 NMSA 1978). The Public Employees Retirement Association (PERA) is the administrator of the plan, which is a cost-sharing, multiple-employer defined benefit retirement plan. The plan provides for retirement, disability benefits, survivor benefits and cost-of-living adjustments to plan members and beneficiaries. PERA issues a separate, publicly available financial report that includes financial statements and required supplementary information for the plan. That report may be obtained by writing to PERA, P.O. Box 2123, Santa Fe, New Mexico 87504-2123. The report is also available on PERA's website at www.pera.state.nm.us.

Funding Policy. Plan members are required to contribute 3.2875% of their gross salary for general member coverage in accordance with Municipal Division - General Coverage Plan 3, and 3.09% for police member coverage in accordance with Police Coverage Plan 4. The County is required to contribute 19.0125% of the gross covered salary for general member coverage, and 27.76% for police member coverage. The contribution requirements of plan members and the County are established in State Statute under Chapter 10, Article 11, NMSA 1978. The requirements may be amended by acts of the legislature.

The County contribution to PERA for the fiscal years ended June 30, 2008, 2007 and 2006 were \$7,631,724, \$5,950,620 and \$5,310,887, respectively, which equal the amount of the required contributions for each fiscal year.

The County has no other post employment pension plans.

STATE OF NEW MEXICO
SANTA FE COUNTY

Notes to Financial Statements (Continued)

June 30, 2008

(7) Retirement, Health and Deferred Compensation Plans (Continued)

Post-Employment Benefits – State Retiree Health Care Plan

Plan Description. The County contributes to the New Mexico Retiree Health Care Fund, a cost-sharing multiple-employer defined benefit postemployment healthcare plan administered by the New Mexico Retiree Health Care Authority (RHCA). The RHCA provides health care insurance and prescription drug benefits to retired employees of participating New Mexico government agencies, their spouses, dependents, and surviving spouses and dependents. The RHCA Board was established by the Retiree Health Care Act (Chapter 10, Article 7C, NMSA 1978). The Board is responsible for establishing and amending benefit provisions of the healthcare plan and is also authorized to designate optional and/or voluntary benefits like dental, vision, supplemental life insurance, and long term care policies.

Eligible retirees are: (1) retirees who make contributions to the fund for at least five years prior to retirement and whose eligible employer during that period of time made contributions as a participant in the RHCA plan on the person's behalf unless that person retires before the employer's RHCA effective date, in which the event the time period required for employee and employer contributions shall become the period of time between the employers's effective date and the date of retirement; 2) retirees defined by the Act who retired prior to July 1, 1990; 3) former legislators who served at least two years; and 4) former governing authority members who served as least four years.

The RHCA issues a publicly available stand-alone financial report that includes financial statements and required supplementary information for the postemployment healthcare plan. That report and further information can be obtained by writing to the Retiree Health Care Authority at 4308 Carlisle NE, Suite 104, Albuquerque, NM 87107.

Funding Policy. The Retiree Health Care Act (Section 10-7C-13 NMSA 1978) authorizes the RHCA Board to establish the monthly premium contributions that retirees are required to pay for healthcare benefits. Each participating retiree pays a monthly premium according to a service based subsidy rate schedule for the medical plus basic life plan plus an additional participation fee of five dollars if the eligible participant retired prior to the employer's RHCA effective date or is a former legislator or former governing authority member. Former legislators and governing authority members are required to pay 100% of the insurance premium to cover their claims and the administrative expenses of the plan. The monthly premium rate schedule can be obtained from the RHCA or viewed on their website at www.nmrhca.state.nm.us.

The Retiree Health Care Act (Section 10-7C-15 NMSA 1978) is the statutory authority that establishes the required contributions of participating employers and their employees. The statute requires each participating employer to contribute 1.3% of each participating employee's annual salary; each participating employee is required to contribute .65% of their salary. Employers joining the program after January 1, 1998 are also required to make a surplus-amount contribution to the RHCA based on one of two formulas at agreed-upon intervals.

The RHCA plan is financed on a pay-as-you-go basis. The employer, employee and retiree contributions are required to be remitted to the RHCA on a monthly basis. The statutory requirements for the contributions can be changed by the New Mexico State Legislature.

The County's contributions to the RHCA for the year's ended June 30, 2008, 2007 and 2006 were \$413,934, \$341,186 and \$316,539 which equal the required contributions for the applicable years.

STATE OF NEW MEXICO
SANTA FE COUNTY

Notes to Financial Statements (Continued)

June 30, 2008

(8) Fund Balance and Net Assets (Deficits)

Fund balance adjustments and reclassifications

Effective July 1, 2007, the County assumed control of the Regional Emergency Communication Center District (RECC) and the corresponding assets and liabilities. The RECC operations are accounted for in the EMS Health Care fund and the effect on the beginning fund balance is as follows:

Balance of EMS Health Care fund, as previously reported	\$ 2,439,246	
Restated for the effect of RECC	431,172	
Fund Balance, as restated	\$ 2,870,418	

In addition to the cash, other assets and liabilities assumed, the County also received the capital assets and the compensated absences liabilities. The impact on the government-wide financial statement is as follows:

Capital assets received	\$ 593,784	(see footnote 4)
Compensated absences assumed	(221,327)	(see footnote 6)
Net effect of other assets/liabilities	431,172	
Restatement of beginning net assets	\$ 803,629	

The county separated the EMS and Health Care Fund into three separate special revenue funds; EMS Health Care, EMS Hospital and Fire Operation Funds. The reclassification of fund balance is as follows:

EMS and Health Care fund , as previously reported	\$ 4,687,505	
Fund balance for EMS Health Care	2,439,246	
Fund balance for EMS Hospital	1,203,836	
Fund balance for Fire Operations	1,044,423	
Net effect	\$ 4,687,505	

Fund balance deficits

The following fund had a fund balance deficit at June 30, 2008:

Enterprise Funds

The Housing Services enterprise fund has a net assets deficit of (\$5,633,937) at June 30, 2008. The deficit is mainly a result of recording depreciation expense and accruing interest expense on notes payable balances which management believes the Department of Housing and Urban Development will forgive.

STATE OF NEW MEXICO
SANTA FE COUNTY

Notes to Financial Statements (Continued)

June 30, 2008

(8) Fund Balance and Net Assets (Deficits) (Continued)

Special Revenue Funds

The unreserved, undesignated fund balance (deficit) is the component of fund balances that represents the portion of the encumbrances which have not been billed to the applicable funding source.

(9) Applicable Segment Information

Housing Services - Accounts receivable

The aging of accounts receivable as of June 30, 2008 is as follows:

Current (0-60 days)	\$ 16,069
Past due (more than 61 days)	<u>201,298</u>
	217,367
Less allowance for uncollectible accounts	<u>(151,144)</u>
	<u>\$ 66,223</u>

Housing Services has \$69,559 in tenant deposits that are deposited in Housing Services' general cash account. Housing Services has \$93,756 in Family Self Services Escrow deposits that are deposited in a separate bank account at First Community Bank and are accounted for in the Section Eight special revenue fund and the liabilities are included in deposits held for others.

(10) Commitments and Contingencies

The County receives funds from federal and state agencies. These funds are subject to audit and adjustment to the granting agency. Any disallowed amounts resulting from these audits would be required to be refunded. The County believes that the amounts, if any, that would be refunded would not have a material effect on the County's financial position at June 30, 2008.

Joint Powers Agreements

Santa Fe Solid Waste Management Agency - Under authorization of the New Mexico State Statute 11-1-1, the County of Santa Fe joined the City of Santa Fe to jointly undertake their powers to dispose of solid waste as mandated by state and federal regulations and provide a more efficient and cost-effective method of solid waste disposal to the County and City citizens.

STATE OF NEW MEXICO
SANTA FE COUNTY

Notes to Financial Statements (Continued)

June 30, 2008

(10) Commitments and Contingencies (Continued)

Joint Powers Agreements (Continued)

The County and the City established the Santa Fe Solid Waste Management Agency (Agency) through a Joint Powers Agreement in February 1995, as a public entity separate from the County or the City. The agreement delegated to the Agency the power to plan for, operate, construct, maintain, repair, replace, or expand the facility. The County Commission and the City Council approve the annual budget. The Agency has the authority to adopt revenue bond ordinances so long as such an ordinance is duly ratified by the governing bodies of the County and the City. A five member staff advisory committee was established by the agreement and is comprised of the finance directors from the County and the City, the County public works department director, the City utilities department director and the Agency director. A five member citizens' advisory committee was also established. The Agency is charged to comply with all laws, rules and regulations for operations under the permit issued from the New Mexico Environment Department. The Board of Directors for the Agency consists of four members who are appointed by the Board of County Commissioners and four members who are appointed by the City Mayor with the approval of the City Council. The Board meets at least quarterly.

The start-up costs, design, land acquisition and construction were funded by equal contributions from the County and City. The contributions and commitments from each entity to date is approximately \$5.8 million. The County did not contribute any funds to the Agency in the 2008 fiscal year. A final reconciliation has been done to ensure costs have been split equally between the County and City. The facility opened in May of 1997.

The facility is to be self-supporting for operations, equipment, future construction, debt service, accumulation of a reserve fund and all other costs through fees charged to the County, the City, and other private users. The land for the facility was purchased by the County and transferred to the Agency. The facility itself belongs to the Agency. The Agency has adopted its rate ordinance for use of the facility. If, for any reason, revenues are insufficient to pay costs of operations, the Agency Board must notify the County and City in order to negotiate steps that are reasonable and prudent in light of existing circumstances to ensure that any deficits accumulated or incurred by the Agency are not allowed to impair the operation, integrity or credit worthiness of the Agency. A bond issue was authorized in December 1996, by the Agency in the amount of \$6,260,000 to provide funds for the equipment required for the facility and the construction of the second landfill cell.

The Agency has its own financial statements as a separate entity, audited on an annual basis. Complete financial statements for the Agency may be obtained at the Santa Fe Solid Waste Management Agency, 165 Caja Del Rio Road, Santa Fe, New Mexico 87502-6189.

STATE OF NEW MEXICO
SANTA FE COUNTY

Notes to Financial Statements (Continued)

June 30, 2008

(10) Commitments and Contingencies (Continued)

Closure of the facility must be approved by the governing bodies of the County and City. Upon closure and sale of the facility, any proceeds remaining after settling all obligations will be split equally between the County and City.

The City of Santa Fe and the County have established a joint powers agreement for the Buckman Direct Diversion (BDD) water project. The BDD, estimated at \$160-170 million, will be the largest, single capital project for which the two local governments address meeting the current and future needs of an adequate water supply within the area. The Buckman Surface Diversion will provide full access to the San Juan/Chama water rights and/or other native Rio Grande water rights currently held by the City and County. The proposed system will route Rio Grande surface water directly from the river through a conveyance system to a new water treatment facility where water will be conveyed to the various users. Costs incurred to date have been recorded to the Utilities Department enterprise fund as additions to water rights and the water system. There were approximately \$18 million of current fiscal year costs capitalized.

The County and the City of Espanola, County of Los Alamos, Pueblo of Nambe, Pueblo of Pojoaque, County of Rio Arriba, Pueblo of San Ildefonso, Pueblo of San Juan, Pueblo of Santa Clara, City of Santa Fe, and Pueblo of Tesuque have entered into an intergovernmental contract to create the North Central Regional Transit District (District) under the Regional Transit District Act, Chapter 13, Article 25, Sections 1-18, NMSA 1978. The purpose of the District is to finance, construct, operate, maintain and promote an efficient, sustainable and regional multi-modal transportation system. The District was created as a public entity separate from the cities, counties and pueblos. The original boundaries consist of Governmental Units located within or containing the boundaries of Los Alamos, Rio Arriba or Santa Fe Counties. The Board of Directors consists of one director from each District and will serve without compensation. The County's share of expenses for the year ended June 30, 2008 was approximately \$100,000.

Regional Emergency Communication Center District

Regional Emergency Communications Center District - Under the authorization of the New Mexico State Statute 11-1-1 through 11-1-7 and pursuant to the New Mexico Enhanced 911 Act 63-9D-41, the County and the City of Santa Fe have jointly undertaken their powers to operate and manage the Regional Emergency Communications Center District (RECC) to provide a more efficient and cost-effective method of providing centralized emergency enhanced 911 dispatch services to the region. The RECC was established as of July 1, 2002 as a public entity separate from the City or County.

In July 2007, the County accepted all responsibility for operations and management of the Regional Emergency Communications Center District (RECC). In the June 30, 2008 financial statements, the RECC is recorded in the County's financial statements. The County assumed the assets and liabilities. See footnote 8 for the financial statement impact from the Regional Emergency Communications Center.

Insurance

The County is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors or omissions; injuries to employees; or acts of God. The County belongs to the New Mexico County Insurance Authority (NMCIA), a public entity risk pool currently operating as a common risk management and insurance program for its member counties. The County pays an annual premium to NMCIA for all of its general and workers' compensation insurance coverage. The agreement for formation of the NMCIA provides that NMCIA will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of amounts that range from \$150,000 for property to \$300,000 for other liability claims.

STATE OF NEW MEXICO
SANTA FE COUNTY

Notes to Financial Statements (Continued)

June 30, 2008

(10) Commitments and Contingencies (Continued)

Legal Proceedings

The County is subject to various legal proceedings which arise in the ordinary course of the County's operations. In the opinion of the County's management, the ultimate resolution of the matters will not have a material adverse impact on the financial position or results of operations of the County.

Operating Leases

The County leases land and various equipment under operating leases. Leases are subject to future appropriation and, as such, cancelable by the County at the end of a fiscal year. Rental expense for the year ended June 30, 2008 was \$849,759.

The future minimum lease payments under operating leases for the County are as follows:

Years ending June 30,	
2009	\$ 1,007,876
2010	673,382
2011	355,964
2012	126,146
2013	125,370
2014-2018	427,540
2019-2023	534,333
2024-2028	<u>238,790</u>
	<u>\$ 3,489,401</u>

(11) Accounting Standard Pronouncements

GASB issued Statement 45, *Accounting and Financial Reporting by Employers for Post Employment Benefits Other than Pensions*, and Statement 48, *Sales and Pledges of Receivables and Future Revenues*, which are effective for the County's fiscal year ended June 30, 2008. In May 2007, GASB issued Statement 50, *Pension Disclosures – an amendment of GASB Statements 25 and 27* effective for the year ended June 30, 2008. The adoption of these GASB Statements had no impact on the June 30, 2008 financial statements. The County belongs to the Retiree Health Care Authority and makes contributions based on state law.

In November 2006, GASB issued Statement 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*, which is effective for the County's fiscal year ending June 30, 2009. In June 2007, GASB issued Statement 51, *Accounting and Financial Reporting for Intangible Assets*, which is effective for the County's fiscal year ending June 30, 2010. The County has not assessed the future impact on its financial statements due to these GASB pronouncements.

STATE OF NEW MEXICO
SANTA FE COUNTY

Notes to Financial Statements (Continued)

June 30, 2008

(12) Subsequent Events

In September 2008, the County issued \$30,000,000 in Series 2008 Gross Receipts Tax Revenue Bonds to pay for construction of the Judicial Complex. Payments will be made June 1 and December 1, beginning on December 1, 2008 with an interest rate range of 3.5% to 5.0%. The final bond payments will be due June 1, 2033.

In October 2008, the County issued \$32,500,000 in Series 2008 General Obligation Bonds to pay for water improvement projects. Payments will be made January 1 and July 1 beginning on January 1, 2009 with an interest rate of 4.75%. The final bond payments will be due July 1, 2024.

STATE OF NEW MEXICO
SANTA FE COUNTY

Exhibit A-1

Capital Project Fund
Capital Outlay - Gross Receipts Tax
Statement of Revenues and Expenditures
Budget to Actual (Non-GAAP Basis)

Year Ended June 30, 2008

	Original Budget	Final Budget	Actual	Variance- Favorable (Unfavorable)
Revenues:				
Grants	\$ -	\$ -	\$ -	\$ -
Taxes and special assessments	9,600,000	9,600,000	10,479,956	879,956
Interest earnings	-	-	-	-
Charges for services	-	-	-	-
Licenses and permits	-	-	-	-
Other	-	-	-	-
	9,600,000	9,600,000	10,479,956	\$ 879,956
Total revenues	9,600,000	9,600,000	10,479,956	\$ 879,956
Cash balance carryforward	-	16,399,963		
Total	\$ 9,600,000	\$ 25,999,963		
Expenditures:				
General government	\$ 9,600,000	\$ 25,879,418	9,109,777	\$ 16,769,641
Public safety	-	-	-	-
Highways and streets	-	-	-	-
Health and welfare	-	-	-	-
Culture and recreation	-	-	-	-
Public works	-	-	-	-
	\$ 9,600,000	\$ 25,879,418	9,109,777	\$ 16,769,641
Total expenditures	\$ 9,600,000	\$ 25,879,418	9,109,777	\$ 16,769,641
Other financing sources (uses):				
Bond proceeds	\$ -	\$ -	-	\$ -
Operating transfers in	-	100,000	100,000	-
Operating transfers out	-	(220,545)	(220,545)	-
Total other financing sources (uses)	\$ -	\$ (120,545)	(120,545)	\$ -
Net income (loss) - Budgetary basis			1,249,634	
Reconciliation to GAAP basis income (loss):				
To record audit adjustments for revenue, net of prior year revenue reversals			39,198	
To record audit adjustment for expenses			-	
Outstanding encumbrances recorded as budgetary expenditures and not for GAAP purposes			1,871,088	
Reversal of prior year accruals			(278,283)	
Change in net assets - GAAP basis			\$ 2,881,637	

The accompanying notes are an integral part of this statement.

STATE OF NEW MEXICO
SANTA FE COUNTY

Exhibit A-2

Capital Project Fund
General Obligation Bond Series 2007
Statement of Revenues and Expenditures
Budget to Actual (Non-GAAP Basis)

Year Ended June 30, 2008

	Original Budget	Final Budget	Actual	Variance- Favorable (Unfavorable)
Revenues:				
Grants	\$ -	\$ -	\$ -	\$ -
Taxes and special assessments	-	-	-	-
Interest earnings	-	-	1,068,589	1,068,589
Charges for services	-	-	-	-
Licenses and permits	-	-	-	-
Other	-	-	-	-
Total revenues	-	-	1,068,589	\$ 1,068,589
Cash balance carryforward	24,895,279	29,498,109		
Total	\$ 24,895,279	\$ 29,498,109		
Expenditures:				
General government	\$ 24,895,279	\$ 29,498,109	7,307,647	\$ 22,190,462
Public safety	-	-	-	-
Highways and streets	-	-	-	-
Health and welfare	-	-	-	-
Culture and recreation	-	-	-	-
Public works	-	-	-	-
Total expenditures	\$ 24,895,279	\$ 29,498,109	7,307,647	\$ 22,190,462
Other financing sources (uses):				
Bond proceeds	\$ -	\$ -	-	\$ -
Operating transfers in	-	-	-	-
Operating transfers out	-	-	-	-
Total other financing sources (uses)	\$ -	\$ -	-	\$ -
Net income (loss) - Budgetary basis			(6,239,058)	
Reconciliation to GAAP basis income (loss):				
To record audit adjustments for revenue, net of prior year revenue reversals			-	
To record audit adjustment for expenses			-	
Outstanding encumbrances recorded as budgetary expenditures and not for GAAP purposes			2,647,827	
Reversal of prior year accruals			66,034	
Change in net assets - GAAP basis			\$ (3,525,197)	

The accompanying notes are an integral part of this statement.

STATE OF NEW MEXICO
SANTA FE COUNTY

Exhibit A-3

Capital Project Fund
General Obligation Bond Series 2007B
Statement of Revenues and Expenditures
Budget to Actual (Non-GAAP Basis)

Year Ended June 30, 2008

	Original Budget	Final Budget	Actual	Variance- Favorable (Unfavorable)
Revenues:				
Grants	\$ -	\$ -	\$ -	\$ -
Taxes and special assessments	-	-	-	-
Interest earnings	-	-	502,119	502,119
Charges for services	-	-	-	-
Licenses and permits	-	-	-	-
Other	-	-	-	-
Total revenues	-	-	502,119	\$ 502,119
Cash balance carryforward	-	-		
Total	\$ -	\$ -		
Expenditures:				
General government	\$ -	\$ -	-	\$ -
Public safety	-	-	-	-
Highways and streets	-	-	-	-
Health and welfare	-	-	-	-
Culture and recreation	-	-	-	-
Public works	-	20,045,151	18,913,270	1,131,881
Total expenditures	\$ -	\$ 20,045,151	18,913,270	\$ 1,131,881
Other financing sources (uses):				
Bond proceeds	\$ -	\$ 20,045,151	20,045,151	\$ -
Operating transfers in	-	-	-	-
Operating transfers out	-	-	-	-
Total other financing sources (uses)	\$ -	\$ 20,045,151	20,045,151	\$ -
Net income (loss) - Budgetary basis			1,634,000	
Reconciliation to GAAP basis income (loss):				
To record audit adjustments for revenue, net of prior year revenue reversals			-	
To record audit adjustment for expenses			-	
Outstanding encumbrances recorded as budgetary expenditures and not for GAAP purposes			1,999,331	
Reversal of prior year accruals			-	
Change in net assets - GAAP basis			\$ 3,633,331	

The accompanying notes are an integral part of this statement.

**STATE OF NEW MEXICO
SANTA FE COUNTY**

Exhibit B-1
Page 1 of 6

Enterprise Funds
Combining Statement of Revenues and Expenditures
Budget to Actual (Non-GAAP Basis)
Year Ended June 30, 2008

	Housing Services			Variance Favorable (Unfavorable)
	Original Budget	Final Budget	Actual	
Operating revenues:				
Facilities rental and charges for services	\$ 325,000	\$ 325,000	\$ 393,227	\$ 68,227
Water sales	-	-	-	-
Other revenues	-	-	-	-
Total revenues	325,000	325,000	393,227	\$ 68,227
Cash balance carryforward	433,481	475,178		
Total	\$ 758,481	\$ 800,178		
Operating expenditures:				
Public safety	\$ -	\$ -	-	\$ -
Health and welfare	1,387,346	1,302,066	1,034,262	267,804
Total operating expenditures	\$ 1,387,346	\$ 1,302,066	1,034,262	\$ 267,804
Total operating income (loss)			(641,035)	
Non-operating revenues (expenses):				
Interest on investments	\$ -	\$ -	-	\$ -
HUD operating subsidy and other federal/state funds	450,000	501,785	452,898	(48,887)
Transfers in (out)	178,865	103	103	-
Total non-operating revenues (expenses)	\$ 628,865	\$ 501,888	453,001	\$ (48,887)
Net income (loss) - Budgetary basis			(188,034)	
Reconciliation to GAAP basis income (loss):				
Forgiveness of debt by HUD			201,717	
To record contributed capital not recorded as budgetary revenue			-	
To record audit adjustment for revenue			9,597	
To record interest expense			(336,855)	
Audit entry to increase reserve for uncollectible receivables			-	
Capital outlay expenditures expensed for budgetary purposes			1,265	
Depreciation and amortization expenses not recorded as budgetary expenditures			(68,113)	
Outstanding encumbrances recorded as budgetary expenditures and not for GAAP purposes			72,333	
Reversal of prior year accruals			-	
Principal repayment of debt recorded as an expenditure for budgetary purposes			-	
Cost of sales for home sales			-	
Change in net assets - GAAP basis			\$ (308,090)	

STATE OF NEW MEXICO
SANTA FE COUNTY

Exhibit B-1
Page 2 of 6

Enterprise Funds
Combining Statement of Revenues and Expenditures
Budget to Actual (Non-GAAP Basis)

Year Ended June 30, 2008

	Utilities Department			Variance Favorable (Unfavorable)
	Original Budget	Final Budget	Actual	
Operating revenues:				
Facilities rental and charges for services	\$ -	\$ -	\$ -	\$ -
Water sales	1,411,058	1,411,058	1,824,928	413,870
Other revenues	199,115	274,115	10,948	(263,167)
Total revenues	<u>1,610,173</u>	<u>1,685,173</u>	<u>1,835,876</u>	<u>\$ 150,703</u>
Cash balance carry forward	104,446	289,674		
Total	<u>\$ 1,714,619</u>	<u>\$ 1,974,847</u>		
Operating expenditures:				
Public safety	\$ 1,714,619	\$ 1,974,847	1,633,259	\$ 341,588
Health and welfare	-	-	-	-
Total operating expenditures	<u>\$ 1,714,619</u>	<u>\$ 1,974,847</u>	<u>1,633,259</u>	<u>\$ 341,588</u>
Total operating income (loss)			<u>202,617</u>	
Non-operating revenues (expenses):				
Interest on investments	\$ -	\$ -	-	\$ -
HUD operating subsidy and other federal/state funds	-	-	-	-
Transfers in (out)	-	-	-	-
Total non-operating revenues (expenses)	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Net income (loss) - Budgetary basis			202,617	
Reconciliation to GAAP basis income (loss):				
Forgiveness of debt by HUD			-	
To record contributed capital not recorded as budgetary revenue			18,265,579	
To record audit adjustment for revenue			45,816	
To record interest expense			-	
Audit entry to adjust reserve for uncollectible receivables			86,000	
Capital outlay expenditures expensed for budgetary purposes			27,839	
Depreciation and amortization expenses not recorded as budgetary expenditures			(224,005)	
Outstanding encumbrances recorded as budgetary expenditures and not for GAAP purposes			13,291	
Reversal of prior year accruals			(44,086)	
Principal repayment of debt recorded as an expenditure for budgetary purposes			-	
Cost of sales for home sales			-	
Change in net assets - GAAP basis			<u>\$ 18,373,051</u>	

**STATE OF NEW MEXICO
SANTA FE COUNTY**

Exhibit B-1
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Enterprise Funds
Combining Statement of Revenues and Expenditures
Budget to Actual (Non-GAAP Basis)

Year Ended June 30, 2008

	Santa Fe County Jail Facility			Variance Favorable (Unfavorable)
	Original Budget	Final Budget	Actual	
Operating revenues:				
Facilities rental and charges for services	\$13,614,666	\$13,619,087	\$ 12,431,948	\$ (1,187,139)
Water sales	-	-	-	-
Other revenues	100,000	100,000	-	(100,000)
Total revenues	13,714,666	13,719,087	12,431,948	\$ (1,287,139)
Cash balance carryforward	1,083,953	3,225,650		
Total	\$14,798,619	\$16,944,737		
Operating expenditures:				
Public safety	\$24,462,669	\$26,834,128	22,619,116	\$ 4,215,012
Health and welfare	-	-	-	-
Total operating expenditures	\$24,462,669	\$26,834,128	22,619,116	\$ 4,215,012
Total operating income (loss)			(10,187,168)	
Non-operating revenues (expenses):				
Interest on investments	\$ 200,000	\$ 200,000	282,988	\$ 82,988
HUD operating subsidy and other federal/state/local funds	92,000	332,826	310,216	(22,610)
Transfers in (out)	9,372,050	9,356,565	9,356,565	-
Total non-operating revenues (expenses)	\$ 9,664,050	\$ 9,889,391	9,949,769	\$ 60,378
Net income (loss) - Budgetary basis			(237,399)	
Reconciliation to GAAP basis income (loss):				
Forgiveness of debt by HUD			-	
To record contributed capital not recorded as budgetary revenue			-	
To record audit adjustment for revenue			(142,917)	
To adjust interest expense			16,146	
Audit entry to increase reserve for uncollectible accounts			(775,000)	
Capital outlay expenditures expensed for budgetary purposes			119,014	
Depreciation and amortization expenses not recorded as budgetary expenditures			(925,882)	
Outstanding encumbrances recorded as budgetary expenditures and not for GAAP purposes			1,074,927	
Reversal of prior year accruals			-	
Principal repayment of debt recorded as an expenditure for budgetary purposes			775,000	
Contribution of assets to the Home Sales fund			-	
Change in net assets - GAAP basis			\$ (96,111)	

**STATE OF NEW MEXICO
SANTA FE COUNTY**

Exhibit B-1
Page 4 of 6

Enterprise Funds
Combining Statement of Revenues and Expenditures
Budget to Actual (Non-GAAP Basis)

Year Ended June 30, 2008

	Regional Planning Authority			Variance Favorable (Unfavorable)
	Original Budget	Final Budget	Actual	
Operating revenues:				
Facilities rental and charges for services	\$ -	\$ -	\$ -	\$ -
Water sales	-	-	-	-
Other revenues	100,000	100,000	48,715	(51,285)
Total revenues	100,000	100,000	48,715	\$ (51,285)
Cash balance carryforward	-	2,072		
Total	\$100,000.00	\$ 102,072		
Operating expenditures:				
Public safety	\$ 200,000	\$ 202,073	113,770	\$ 88,303
Health and welfare	-	-	-	-
Total operating expenditures	\$ 200,000	\$ 202,073	113,770	\$ 88,303
Total operating income (loss)			(65,055)	
Non-operating revenues (expenses):				
Interest on investments	\$ -	\$ -	-	\$ -
HUD operating subsidy and other federal funds	-	-	-	-
Transfers in (out)	100,000	100,000	100,000	-
Total non-operating revenues (expenses)	\$ 100,000	\$ 100,000	100,000	\$ -
Net income (loss) - Budgetary basis			34,945	
Reconciliation to GAAP basis income (loss):				
Forgiveness of debt by HUD			-	
To record contributed capital not recorded as budgetary revenue			-	
To record audit adjustment for revenue			(11,484)	
To record interest expense			-	
Audit entry to increase reserve for uncollectible accounts			-	
Capital outlay expenditures expensed for budgetary purposes			-	
Depreciation and amortization expenses not recorded as budgetary expenditures			(771)	
Outstanding encumbrances recorded as budgetary expenditures and not for GAAP purposes			8,665	
Reversal of prior year accruals				
Principal repayment of debt recorded as an expenditure for budgetary purposes			-	
Cost of sales for home sales			-	
Change in net assets - GAAP basis			\$ 31,355	

STATE OF NEW MEXICO
SANTA FE COUNTY

Exhibit B-1
Page 5 of 6

Enterprise Funds
Combining Statement of Revenues and Expenditures
Budget to Actual (Non-GAAP Basis)

Year Ended June 30, 2008

	Home Sales			Variance Favorable (Unfavorable)
	Original Budget	Final Budget	Actual	
Operating revenues:				
Facilities rental and charges for services	\$ -	\$ -	\$ -	\$ -
Water sales	-	-	-	-
Other revenues	-	-	169,974	169,974
Total revenues	-	-	169,974	\$ 169,974
Cash balance carryforward	-	300,000		
Total	\$ -	\$ 300,000		
Operating expenditures:				
Public safety	\$ -	\$ -	-	\$ -
Health and welfare	-	2,357,034	288,914	2,068,120
Total operating expenditures	\$ -	\$ 2,357,034	288,914	\$ 2,068,120
Total operating income (loss)			(118,940)	
Non-operating revenues (expenses):				
Interest on investments	\$ -	\$ -	-	\$ -
HUD operating subsidy and other federal funds	-	-	-	-
Transfers in (out)	-	2,057,034	2,057,034	-
Total non-operating revenues (expenses)	\$ -	\$ 2,057,034	2,057,034	\$ -
Net income (loss) - Budgetary basis			1,938,094	
Reconciliation to GAAP basis income (loss):				
Forgiveness of debt by HUD			-	
To record contributed capital not recorded as budgetary revenue			-	
To record audit adjustment for revenue			-	
To record interest expense			-	
Audit entry to increase reserve for uncollectible accounts			-	
Capital outlay expenditures expensed for budgetary purposes			-	
Depreciation and amortization expenses not recorded as budgetary expenditures			-	
Outstanding encumbrances recorded as budgetary expenditures and not for GAAP purposes			47,761	
Reversal of prior year accruals			-	
Principal repayment of debt recorded as an expenditure for budgetary purposes			-	
Cost of sales for home sales			(135,444)	
Change in net assets - GAAP basis			\$ 1,850,411	

The accompanying notes are an integral part of this statement.

STATE OF NEW MEXICO
SANTA FE COUNTY

Exhibit B-1
Page 6 of 6

Enterprise Funds
Combining Statement of Revenues and Expenditures
Budget to Actual (Non-GAAP Basis)

Year Ended June 30, 2008

	Totals (Memorandum Only)			Variance Favorable (Unfavorable)
	Original Budget	Final Budget	Actual	
Operating revenues:				
Facilities rental and charges for services	\$ 13,939,666	\$ 13,944,087	\$ 12,825,175	\$ (1,118,912)
Water sales	1,411,058	1,411,058	1,824,928	413,870
Other revenues	399,115	474,115	229,637	(244,478)
Total Revenues	15,749,839	15,829,260	14,879,740	\$ (949,520)
Cash balance carryforward	1,621,880	4,292,574		
Total	\$ 17,371,719	\$ 20,121,834		
Operating expenditures:				
Public safety	\$ 26,377,288	\$ 29,011,048	24,366,145	4,644,903
Health and welfare	1,387,346	3,659,100	1,323,176	2,335,924
Total operating expenditures	\$ 27,764,634	\$ 32,670,148	25,689,321	\$ 6,980,827
Total operating income (loss)			(10,809,581)	
Non-operating revenues (expenses):				
Interest on investments	\$ 200,000	\$ 200,000	282,988	\$ 82,988
HUD operating subsidy and other federal funds	542,000	834,611	763,114	(71,497)
Transfers in (out)	9,650,915	11,513,702	11,513,702	-
Total non-operating revenues (expenses)	\$ 10,392,915	\$ 12,548,313	12,559,804	\$ 11,491
Net income (loss) - Budgetary basis			1,750,223	
Reconciliation to GAAP basis income (loss):				
Forgiveness of debt by HUD			201,717	
To record contributed capital not recorded as budgetary revenue			18,265,579	
To record audit adjustment for revenue			(98,988)	
To record interest expense			(320,709)	
Audit entry to increase reserve for uncollectible accounts			(689,000)	
Capital outlay expenditures expensed for budgetary purposes			148,118	
Depreciation and amortization expenses not recorded as budgetary expenditures			(1,218,771)	
Outstanding encumbrances recorded as budgetary expenditures and not for GAAP purposes			1,216,977	
Reversal of prior year accruals			(44,086)	
Principal repayment of debt recorded as an expenditure for budgetary purposes			-	
Cost of sales for home sales			775,000	
			(135,444)	
Change in Net Assets - GAAP basis			\$ 19,850,616	

The accompanying notes are an integral part of this statement.

STATE OF NEW MEXICO
SANTA FE COUNTY

Exhibit C-1

Combining Balance Sheet

Non Major Governmental Funds

June 30, 2008

ASSETS	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total</u>
Equity in pooled cash investments - Restricted	\$ 30,550,254	\$ 12,780,834	\$ 10,020,572	\$ 53,351,660
Equity in pooled cash investments - Unrestricted	-	-	-	-
Receivables, net of allowance for uncollectibles:				
Accounts	1,610,976	-	-	1,610,976
Taxes	4,821,490	1,105,415	277,053	6,203,958
Interest	-	12,282	24,097	36,379
Grantor agencies and other	1,175,137	-	1,901,555	3,076,692
Due from other funds	-	5,719	-	5,719
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total assets and other debits	<u>\$ 38,157,857</u>	<u>\$ 13,904,250</u>	<u>\$ 12,223,277</u>	<u>\$ 64,285,384</u>
LIABILITIES & FUND BALANCES				
Liabilities:				
Accounts payable	\$ 606,690	\$ -	\$ 261,647	\$ 868,337
Accrued payroll	292,276	-	-	292,276
Due to other funds	231,623	-	367,562	599,185
Deferred revenue	-	863,708	-	863,708
Deposits held for others	93,746	-	-	93,746
Total	<u>1,224,335</u>	<u>863,708</u>	<u>629,209</u>	<u>2,717,252</u>
Fund Balance				
Reserved for:				
Encumbrances	4,309,028	-	5,545,962	9,854,990
Debt service	-	13,040,542	-	13,040,542
Total reserved fund equity	<u>4,309,028</u>	<u>13,040,542</u>	<u>5,545,962</u>	<u>22,895,532</u>
Unreserved - Designated for:				
Subsequent year expenditures by grant or law	32,651,687	-	-	32,651,687
Capital improvements	-	-	6,844,213	6,844,213
Unreserved - Undesignated	<u>(27,193)</u>	<u>-</u>	<u>(796,107)</u>	<u>(823,300)</u>
Total unreserved fund balances	<u>32,624,494</u>	<u>-</u>	<u>6,048,106</u>	<u>38,672,600</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total fund balances	<u>36,933,522</u>	<u>13,040,542</u>	<u>11,594,068</u>	<u>61,568,132</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities, fund equity	<u>\$ 38,157,857</u>	<u>\$ 13,904,250</u>	<u>\$ 12,223,277</u>	<u>\$ 64,285,384</u>

The accompanying notes are an integral part of this statement.

STATE OF NEW MEXICO
SANTA FE COUNTY

Exhibit C-2

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non Major Funds**

Year Ended June 30, 2008

	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total</u>
Revenues				
Grants	\$ 7,339,597	\$ -	\$ 5,267,638	\$ 12,607,235
Property tax	1,009,534	11,218,353	-	12,227,887
Gross receipts tax	26,769,430	987,785	-	27,757,215
Other taxes and assessments	1,088,449	-	-	1,088,449
Interest earnings	70,533	47,371	688,249	806,153
Charges for services, fines and penalties	9,938,846	-	-	9,938,846
Other	63,283	-	15,014	78,297
Total revenues	<u>46,279,672</u>	<u>12,253,509</u>	<u>5,970,901</u>	<u>64,504,082</u>
Expenditures - Current				
General government	1,141,309	-	-	1,141,309
Public safety	8,259,278	-	-	8,259,278
Highways and streets	2,791,299	-	-	2,791,299
Health and welfare	19,002,379	-	-	19,002,379
Culture and recreation	65,581	-	-	65,581
Economic development	2,121,000	-	-	2,121,000
Capital outlay	-	-	12,837,357	12,837,357
Debt service (principal and interest)	-	10,282,520	-	10,282,520
Debt issuance costs and other	-	1,882	-	1,882
Total expenditures	<u>33,380,846</u>	<u>10,284,402</u>	<u>12,837,357</u>	<u>56,502,605</u>
Excess (Deficiency) of Revenues over Expenditures	<u>12,898,826</u>	<u>1,969,107</u>	<u>(6,866,456)</u>	<u>8,001,477</u>
Other Financing Sources (Uses)				
Operating transfers, in	5,816,657	796,068	434,796	7,047,521
Operating transfers, out	<u>(8,393,903)</u>	<u>(840,000)</u>	<u>(349,119)</u>	<u>(9,583,022)</u>
Total other financing sources (uses)	<u>(2,577,246)</u>	<u>(43,932)</u>	<u>85,677</u>	<u>(2,535,501)</u>
Net changes in fund balances	<u>10,321,580</u>	<u>1,925,175</u>	<u>(6,780,779)</u>	<u>5,465,976</u>
Fund balance, beginning of year	26,180,770	11,115,367	18,374,847	55,670,984
Prior period restatement/reclassification	431,172	-	-	431,172
Fund balance, beginning as restated	<u>26,611,942</u>	<u>11,115,367</u>	<u>18,374,847</u>	<u>56,102,156</u>
Fund balance end of year	<u>\$ 36,933,522</u>	<u>\$ 13,040,542</u>	<u>\$ 11,594,068</u>	<u>\$ 61,568,132</u>

The accompanying notes are an integral part of this statement.

STATE OF NEW MEXICO
SANTA FE COUNTY

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June 30, 2008

Corrections Fund. Corrections fees levied by the Magistrate courts (e.g. a \$10 fee associated with a speeding or seat belt violation) are distributed to the County. This revenue is utilized in the local corrections system. These funds are to be used for the operation of the County jail and other costs related to housing County prisoners. See Section 33-3-25, NMSA 1978 Compilation.

Valuation Fund. A one-percent administrative charge is assessed against the property tax collections of all taxing entities in the County. This revenue is utilized by the Assessor in property valuations. See NMSA Compilation Section 7, Article 38-38-1.

Road Maintenance. Road Fund revenues consist of half of the vehicle registration fees in the county (the other half goes to municipalities), and a 21 cent per gallon gasoline tax, both collected and distributed to the County by the State of New Mexico. Also, the federal government collects a logging fee of which 25% is distributed to school districts and the County Road Fund. However, Road Fund expenses are also funded by transfers from the General Fund. State law mandates that the Road Fund expenses are funded by transfers from the General Fund. State law mandates that the Road Fund be utilized for "the construction, reconstruction, improvement and maintenance of county roads..." See Section 67-4-1, NMSA, 1978 Compilation.

Emergency Medical Services. The Emergency Medical Services Fund Act (NMSA 1978 Chapter 24, Articles 10A&B) makes funds available from the State general fund "to incorporated municipalities, counties, or fire districts for use in establishment of emergency medical services, in order to reduce injury and loss of life." See Section 24-10A-1, NMSA 1978 Compilation.

Farm and Range. The Farm and Range Improvement Act directs the county commissioners to expend funds that are derived from the state's share of the 1934 Taylor Grazing Act public lands grazing district fees paid to the Bureau of Land Management. The funds may be used for the purposes of soil and water conservation, control of rodents and predatory animals, extermination of poisonous noxious weeds, and construction and maintenance of secondary roads within the County. See Section 6-11 -6, NMSA, 1978 Compilation.

Fire Protection Fund. Revenues of the Fire Protection Fund are derived from County-levied Fire Protection fees, and fees on property and motor vehicle insurance businesses, which are collected by the State. Fire Protection Fund distributions to the County must be used for maintenance of fire departments, the purchase, construction, maintenance, repair and operation of fire stations and substations, fire apparatus, and equipment, and the payment of insurance premiums on fire stations, substations, and fire fighters. See Section 59A-53-5, NMSA, 1978 Compilation.

Law Enforcement Protection Fund. The Law Enforcement Protection Fund derives its revenue from 10% of fees, licenses, penalties and taxes from life, general casualty and title insurance business pursuant to the New Mexico Insurance Code (Chapter 59A NMSA 1978). A distribution of this revenue is made to the County on the basis of population and the number of full-time certified County police officers. Proceeds from this fund may be spent on law enforcement equipment, advanced law enforcement training, and as a match to federal law enforcement grants. See Section 29-13-1, NMSA, 1978 Compilation.

Lodgers' Tax. A four percent (4%) Hotel/Motel occupancy tax is the source of revenue to the two Lodgers Tax funds. Fifty percent (50%) of the proceeds from the first three percent (3%) and 100% of the next one percent (1%) of the occupancy tax is used for advertising tourist attractions in Santa Fe County. Fifty percent (50%) of the proceeds from the first three percent (3%) of the occupancy tax is designated to equip, furnish, and improve tourist facilities and to administer the tax. Established pursuant to Santa Fe County Lodgers' Occupancy Tax ordinance.

STATE OF NEW MEXICO
SANTA FE COUNTY

NON MAJOR SPECIAL REVENUE FUNDS (Continued)

JUNE 30, 2008

Fire Impact Fees. This fund consists of fees charged for new development, review, inspection, and permit required applications pursuant to Santa Fe County Fire Code, ordinance 1998-11. The proceeds are primarily used for capital improvements and facility expansion.

Clerk Recording. The fee for recording deeds, mortgages, contracts, liens, bills of sale, power of attorney, mining location, transcript of judgment, etc. is \$9 for the first page and \$2 for each subsequent page. Of this fee, \$4 of the \$9 for the first page is designated as an equipment recording fee and is received into this fund. New Mexico law stipulates that this fund is designated "for the purchase of equipment associated with recording, filing, maintaining or reproducing documents. See Section 14-8-12.2 NSMA 1978 Compilation.

Indigent Hospital. A 1/8 cent Gross Receipts Tax levied in the entire county and received into this fund is dedicated to providing payment for the Sole Community Provider program.

Economic Development Fund. This fund provides services in support of economic diversification, transition and development programs within Santa Fe County. As per the Department of Energy's Economic Development Community Assistance Program pursuant to Section 3161 of the 1993 Defense Appropriations Act.

Federal Forfeitures Monies. Money from federal seizures associated with anti-drug law enforcement activities is received in this fund and spent by the Sheriff's office on these activities. Revenue in this fund is not anticipated in the initial budget, but receipts occur during the fiscal year. Established by the County to account for federal forfeiture monies required by federal statute.

Section 8 Voucher Program. This fund handles rent subsidies received from HUD for "vouchers" to low-income persons renting housing in the private sector. This fund was created in accordance with the HUD contract.

Housing Services Grant Program. This fund handles HUD subsidies and grants pertaining to public housing in Santa Fe County. The County manages 221 public housing units located at three scattered housing neighborhoods. The Camino de Jacobo Housing Neighborhood (located off Airport Rd.) consists of 59 units. The Valle Vista Housing Neighborhood (off State Rd. 14) includes 100 units, and the Valle de Esperanza Housing Neighborhood located in Santa Cruz, New Mexico has a total of 52 units. On-site Boys and Girls Clubs are located at each housing neighborhood, funded through a General Fund transfer, and other federal grants pertaining to programs at the housing neighborhoods are also handled in this fund. This fund was created in accordance with the grant agreement.

CFP Program. This fund contains the Capital Fund Program (CFP) funded by the U.S. Department of Housing and Urban Development (HUD). These monies are used to make comprehensive repairs to the existing public housing of Santa Fe County, and are applied for and granted on an annual basis. This fund was created in accordance with the grant agreement.

Correctional Gross Receipts Tax. A 1/8 cent county-wide gross receipts tax was approved by the voters in 2004. This fund handles the receipt of the corrections gross receipts tax. Proceeds from this fund are transferred to the Jail Enterprise fund for the operation of the Adult Detention Facility.

STATE OF NEW MEXICO
SANTA FE COUNTY

NON MAJOR SPECIAL REVENUE FUNDS (Continued)

JUNE 30, 2008

Wildlife Mountain Trails. This fund was created in fiscal year 2000 when the County Board of Commissioners adopted a Resolution (2000-57) that "in all future property acquisition negotiations for Wildlife, Mountains, Trails and Historic Places Program, the County requires that participating landowners donate at least 5% of the fair market value of properties, as determined by an appraisal, in lieu of a real estate commission...to fund capital improvements and maintenance of properties acquired for the Program." This is paid through the title company to the County as part of the closing of the purchase of the property.

EMS Health Care. This fund was created to contain health service payments received through a Memorandum of Understanding with St. Vincent's Hospital and other receipts to benefit the County's health programs and the Regional Emergency Communications Center.

EMS Health Hospital. This fund was created to contain the 1/8 cent Gross Receipts tax dedicated to emergency services.

Fire Operations Fund. This fund was created to contain the Emergency Communications and Emergency Medical Services Gross Receipts Tax and fire-dedicated revenue, and expenses associated with operation of the County Fire Department.

Alcohol Programs. This fund was created by the County to account for state grants for DWI and Alcohol education grants and programs.

Detox Programs. This fund was created by the County to account for Federal and State grants for the construction and operation of Detox Facilities in the County.

Indigent Service Fund. This fund is dedicated to providing hospital care, ambulance services or other health care services to indigent people living in the County. In addition, the fund provides revenues to match federal funds to the State Medicaid program. See Section 7-20-2, NMSA, 1978 Compilation.

Linkages. This fund was created to account for a rental assistance program specific to families with identified disabilities funded by the New Mexico Mortgage Finance Authority.

Recreation. One cent of a 21 cent per pack state cigarette tax is designated for "County and municipal recreation funds." The fund is designated for "operating recreational facilities, including salaries of instructors and other employees." See Section 7-12-15, NMSA, 1978 Compilation.

STATE OF NEW MEXICO
SANTA FE COUNTY

Non Major Special Revenue Funds
Combining Balance Sheet

June 30, 2008

	Corrections Fund	Valuation Fund	Road Maintenance	Emergency Medical Services	Farm and Range	Fire Fund
ASSETS						
Equity in pooled cash and investments - restricted	\$ 93,986	\$ 1,259,425	\$ 1,585,438	\$ 134,316	\$ 6,465	\$ 6,602,699
Receivables, net of allowance for uncollectibles:						
Accounts	-	-	-	-	-	-
Taxes	-	-	73,681	-	-	356,979
Interest	-	-	-	-	-	-
Grantor agencies and other	-	298	817	1,049	-	2,666
Mortgages	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-
Total assets	\$ 93,986	\$ 1,259,723	\$ 1,659,936	\$ 135,365	\$ 6,465	\$ 6,962,344
LIABILITIES & FUND BALANCES						
Liabilities:						
Accounts payable	\$ 30,444	\$ 18,464	\$ 64,749	\$ 9,661	\$ -	\$ 105,058
Accrued payroll	-	-	26,198	-	-	-
Due to other funds	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-
Deposits held for others	-	-	-	-	-	-
Total liabilities	30,444	18,464	90,947	9,661	-	105,058
Fund Balances (deficit):						
Reserved fund balance for encumbrances	-	521,051	481,781	28,419	-	702,304
Reserved fund balance by grant or law	63,542	720,208	1,087,208	97,285	6,465	6,154,982
Total reserved fund balance	63,542	1,241,259	1,568,989	125,704	6,465	6,857,286
Unreserved fund balance (deficit) designated for subsequent year expenditures	-	-	-	-	-	-
Total fund balance (deficit)	63,542	1,241,259	1,568,989	125,704	6,465	6,857,286
Total liabilities & fund balances	\$ 93,986	\$ 1,259,723	\$ 1,659,936	\$ 135,365	\$ 6,465	\$ 6,962,344

STATE OF NEW MEXICO
SANTA FE COUNTY

Non Major Special Revenue Funds
Combining Balance Sheet (Continued)

June 30, 2008

	Law Enforcement Protection Fund	Lodgers' Tax	Fire Impact Fees	Clerk Recording	Indigent Hospital	Economic Development Fund
Equity in pooled cash and investments - restricted	\$ 14,885	\$ 1,425,298	\$ 3,841,591	\$ 380,149	\$ 2,177,627	\$ 75,451
Receivables, net of allowance for uncollectibles:						
Accounts	-	-	-	-	-	-
Taxes	-	73,318	-	-	905,111	-
Interest	-	-	-	-	-	-
Grantor agencies and other	368	-	-	-	493	-
Mortgages	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-
Total assets	\$ 15,253	\$ 1,498,616	\$ 3,841,591	\$ 380,149	\$ 3,083,231	\$ 75,451

LIABILITIES & FUND BALANCE

Liabilities:						
Accounts payable	\$ 6,502	\$ 36,459	\$ -	\$ 6,998	\$ 621	\$ -
Accrued payroll	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-
Deposits held for others	-	-	-	-	-	-
Total liabilities	6,502	36,459	-	6,998	621	-
Fund Balance (deficit):						
Reserved fund balance for encumbrances	11,380	87,892	375,748	53,820	2	-
Reserved fund balance by grant or law	-	1,374,265	3,465,843	319,331	3,082,608	75,451
Total reserved fund balance	11,380	1,462,157	3,841,591	373,151	3,082,610	75,451
Unreserved fund balance (deficit) designated for subsequent year expenditures	(2,629)	-	-	-	-	-
Total fund balance (deficit)	8,751	1,462,157	3,841,591	373,151	3,082,610	75,451
Total liabilities & fund balances	\$ 15,253	\$ 1,498,616	\$ 3,841,591	\$ 380,149	\$ 3,083,231	\$ 75,451

STATE OF NEW MEXICO
SANTA FE COUNTY

Non Major Special Revenue Funds
Combining Balance Sheet (Continued)

June 30, 2008

	Federal Forfeitures Monies	Section 8 Voucher Monies	Housing Services Grant Program	CFP Program	Correctional Gross Receipts Tax	Wildlife Mountain Trails
ASSETS						
Equity in pooled cash and investments - restricted	\$ 57,766	\$ 778,245	\$ -	\$ -	\$ 1,291,538	\$ 402,317
Receivables, net of allowance for uncollectibles:						
Accounts	-	19,443	-	-	-	-
Taxes	-	-	-	-	900,382	-
Interest	-	-	-	-	-	-
Grantor agencies and other	-	-	-	270,831	-	42,659
Mortgages	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-
Total assets	\$ 57,766	\$ 797,688	\$ -	\$ 270,831	\$ 2,191,920	\$ 444,976
LIABILITIES & FUND BALANCE						
Liabilities:						
Accounts payable	\$ -	\$ 970	\$ -	\$ 28,176	\$ -	\$ -
Accrued payroll	-	-	-	-	-	742
Due to other funds	-	-	-	231,623	-	-
Deferred revenue	-	-	-	-	-	-
Deposits held for others	-	93,746	-	-	-	-
Total liabilities	-	94,716	-	259,799	-	742
Fund Balance (deficit):						
Reserved fund balance for encumbrances	-	24,534	-	35,596	-	-
Reserved fund balance by grant or law	57,766	678,438	-	-	2,191,920	444,234
Total reserved fund balance	57,766	702,972	-	35,596	2,191,920	444,234
Unreserved fund balance (deficit) designated for subsequent year expenditures	-	-	-	(24,564)	-	-
Total fund balance (deficit)	57,766	702,972	-	11,032	2,191,920	444,234
Total liabilities & fund balances	\$ 57,766	\$ 797,688	\$ -	\$ 270,831	\$ 2,191,920	\$ 444,976

STATE OF NEW MEXICO
SANTA FE COUNTY

Non Major Special Revenue Funds
Combining Balance Sheet (Continued)

June 30, 2008

	EMS Health Care	EMS Health Hospital	Fire Operations Fund	Alcohol Programs Fund	Detox Programs Fund	Indigent Services Fund
Equity in pooled cash and investments - restricted	\$ 4,225,878	\$ 771,315	\$ 3,357,895	\$ 201,397	\$ 216,913	\$ 1,634,597
Receivables, net of allowance for uncollectibles:						
Accounts	25,850	-	773,662	-	792,021	-
Taxes	-	905,011	1,606,982	-	-	-
Interest	-	-	-	-	-	-
Grantor agencies and other	-	-	329,908	495,357	29,771	920
Mortgages	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-
Total assets	\$ 4,251,728	\$ 1,676,326	\$ 6,068,447	\$ 696,754	\$ 1,038,705	\$ 1,635,517
LIABILITIES & FUND BALANCE						
Liabilities:						
Accounts payable	\$ 18,042	\$ -	\$ 53,416	\$ 118,135	\$ 42,489	\$ 66,506
Accrued payroll	77,074	-	144,766	13,716	24,956	4,824
Due to other funds	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-
Deposits held for others	-	-	-	-	-	-
Total liabilities	95,116	-	198,182	131,851	67,445	71,330
Fund Balance (deficit):						
Reserved fund balance for encumbrances	548,554	-	987,827	99,500	40,489	310,131
Reserved fund balance by grant or law	3,608,058	1,676,326	4,882,438	465,403	930,771	1,254,056
Total reserved fund balance	4,156,612	1,676,326	5,870,265	564,903	971,260	1,564,187
Unreserved fund balance (deficit) designated for subsequent year expenditures	-	-	-	-	-	-
Total fund balance (deficit)	4,156,612	1,676,326	5,870,265	564,903	971,260	1,564,187
Total liabilities & fund balances	\$ 4,251,728	\$ 1,676,326	\$ 6,068,447	\$ 696,754	\$ 1,038,705	\$ 1,635,517

STATE OF NEW MEXICO
SANTA FE COUNTY

Non Major Special Revenue Funds
Combining Balance Sheet (Continued)

June 30, 2008

	<u>Linkages</u>	<u>Recreation</u>	<u>Totals</u>
ASSETS			
Equity in pooled cash and investments - restricted	\$ 5,659	\$ 9,404	\$ 30,550,254
Receivables, net of allowance for uncollectibles:			
Accounts	-	-	1,610,976
Taxes	-	26	4,821,490
Interest	-	-	-
Grantor agencies and other	-	-	1,175,137
Mortgages	-	-	-
Due from other funds	-	-	-
	<u>\$ 5,659</u>	<u>\$ 9,430</u>	<u>\$ 38,157,857</u>
Total assets			
	<u>\$ 5,659</u>	<u>\$ 9,430</u>	<u>\$ 38,157,857</u>
LIABILITIES & FUND BALANCE			
Liabilities:			
Accounts payable	\$ -	-	\$ 606,690
Accrued payroll	-	-	292,276
Due to other funds	-	-	231,623
Deferred revenue	-	-	-
Deposits held for others	-	-	93,746
Total liabilities	<u>-</u>	<u>-</u>	<u>1,224,335</u>
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Fund Balance (deficit):			
Reserved fund balance for encumbrances	-	-	4,309,028
Reserved fund balance by grant or law	5,659	9,430	32,651,687
Total reserved fund balance	<u>5,659</u>	<u>9,430</u>	<u>36,960,715</u>
Unreserved fund balance (deficit) designated for subsequent year expenditures	-	-	(27,193)
Total fund balance (deficit)	<u>5,659</u>	<u>9,430</u>	<u>36,933,522</u>
	<u>\$ 5,659</u>	<u>\$ 9,430</u>	<u>\$ 38,157,857</u>
Total liabilities & fund balances			
	<u>\$ 5,659</u>	<u>\$ 9,430</u>	<u>\$ 38,157,857</u>

STATE OF NEW MEXICO
SANTA FE COUNTY

Non Major Special Revenue Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Continued)

Year Ended June 30, 2008

	Corrections Fund	Valuation Fund	Road Maintenance	Emergency Medical Services	Farm and Range	Fire Fund
Revenues:						
Grants	\$ -	\$ -	\$ 42,743	\$ 132,202	\$ 880	\$ 1,512,141
Property tax	-	1,009,534	-	-	-	-
Gross receipts tax	-	-	-	-	-	1,983,645
Other taxes and assessments	-	-	693,250	-	-	-
Interest earnings	-	-	-	-	-	-
Charges for services and fees	296,969	26	7,985	-	-	-
Other	-	250	1,173	-	-	14,449
Total revenues	296,969	1,009,810	745,151	132,202	880	3,510,235
Expenditures:						
General government	-	1,001,680	-	-	-	-
Public safety	-	-	-	128,887	-	2,631,227
Highways and streets	-	-	2,791,299	-	-	-
Health and welfare	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Total expenditures	-	1,001,680	2,791,299	128,887	-	2,631,227
Excess (deficiency) of revenues over expenditures	296,969	8,130	(2,046,148)	3,315	880	879,008
Other financing sources (uses):						
Operating transfers in	-	303,780	2,432,303	-	-	9,869
Operating transfers out	(150,000)	-	-	-	-	(9,869)
Total other financing sources (uses)	(150,000)	303,780	2,432,303	-	-	-
Net change in fund balances	146,969	311,910	386,155	3,315	880	879,008
Fund balance (deficit), beginning of year	(83,427)	929,349	1,182,834	122,389	5,585	5,978,278
Prior period restatement/reclassification	-	-	-	-	-	-
Fund balance, beginning as restated	(83,427)	929,349	1,182,834	122,389	5,585	5,978,278
Fund balance (deficit), end of year	\$ 63,542	\$ 1,241,259	\$ 1,568,989	\$ 125,704	\$ 6,465	\$ 6,857,286

STATE OF NEW MEXICO
SANTA FE COUNTY

Non Major Special Revenue Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Continued)

Year Ended June 30, 2008

	Law Enforcement Protection Fund	Lodgers' Tax	Fire Impact Fees	Clerk Recording	Indigent Hospital	Economic Development Fund
Revenues:						
Grants	\$ 69,600	\$ -	\$ -	\$ -	\$ -	\$ 5,000
Property tax	-	-	-	-	-	-
Gross receipts tax	-	-	-	-	5,137,215	-
Other taxes and assessments	-	375,190	-	-	-	-
Interest earnings	-	52,538	-	-	-	-
Charges for services and fees	-	-	718,827	156,294	-	-
Other	470	-	-	644	37,369	1,172
Total revenues	70,070	427,728	718,827	156,938	5,174,584	6,172
Expenditures:						
General government	-	-	-	139,629	-	-
Public safety	101,361	-	101,166	-	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	4,341,540	-
Culture and recreation	-	-	-	-	-	-
Economic development	-	285,059	-	-	-	1,835,941
Total expenditures	101,361	285,059	101,166	139,629	4,341,540	1,835,941
Excess (deficiency) of revenues over expenditures	(31,291)	142,669	617,661	17,309	833,044	(1,829,769)
Other financing sources (uses):						
Operating transfers in	-	-	-	-	-	1,900,000
Operating transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	1,900,000
Net change in fund balances	(31,291)	142,669	617,661	17,309	833,044	70,231
Fund balance (deficit), beginning of year	40,042	1,319,488	3,223,930	355,842	2,249,566	5,220
Prior period restatement/reclassification	-	-	-	-	-	-
Fund balance, beginning as restated	40,042	1,319,488	3,223,930	355,842	2,249,566	5,220
Fund balance (deficit), end of year	\$ 8,751	\$ 1,462,157	\$ 3,841,591	\$ 373,151	\$ 3,082,610	\$ 75,451

STATE OF NEW MEXICO
SANTA FE COUNTY

Non Major Special Revenue Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Continued)

Year Ended June 30, 2008

	Federal Forfeitures Monies	Section 8 Voucher Program	Housing Services Grant Program	CFP Program	Correctional Gross Receipts Tax	Wildlife Mountain Trails
Revenues:						
Grants	\$ -	\$ 2,379,565	\$ -	\$ 303,647	\$ -	\$ -
Property tax	-	-	-	-	-	-
Gross receipts tax	-	-	-	-	5,254,112	-
Other taxes and assessments	19,763	-	-	-	-	-
Interest earnings	-	17,995	-	-	-	-
Charges for services and fees	-	28,124	-	-	-	-
Other	-	7,614	-	-	-	-
Total revenues	<u>19,763</u>	<u>2,433,298</u>	<u>-</u>	<u>303,647</u>	<u>5,254,112</u>	<u>-</u>
Expenditures:						
General government	-	-	-	-	-	-
Public safety	12,856	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	1,797,600	-	153,136	-	-
Culture and recreation	-	-	-	-	-	65,581
Economic development	-	-	-	-	-	-
Total expenditures	<u>12,856</u>	<u>1,797,600</u>	<u>-</u>	<u>153,136</u>	<u>-</u>	<u>65,581</u>
Excess (deficiency) of revenues over expenditures	<u>6,907</u>	<u>635,698</u>	<u>-</u>	<u>150,511</u>	<u>5,254,112</u>	<u>(65,581)</u>
Other financing sources (uses):						
Operating transfers in	-	-	-	91,561	-	-
Operating transfers out	-	-	(2,057,034)	(150,000)	(4,800,000)	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(2,057,034)</u>	<u>(58,439)</u>	<u>(4,800,000)</u>	<u>-</u>
Net change in fund balances	<u>6,907</u>	<u>635,698</u>	<u>(2,057,034)</u>	<u>92,072</u>	<u>454,112</u>	<u>(65,581)</u>
Fund balance (deficit), beginning of year	50,859	67,274	2,057,034	(81,040)	1,737,808	509,815
Prior period restatement/reclassification	-	-	-	-	-	-
Fund balance, beginning as restated	<u>50,859</u>	<u>67,274</u>	<u>2,057,034</u>	<u>(81,040)</u>	<u>1,737,808</u>	<u>509,815</u>
Fund balance (deficit), end of year	<u>\$ 57,766</u>	<u>\$ 702,972</u>	<u>\$ -</u>	<u>\$ 11,032</u>	<u>\$ 2,191,920</u>	<u>\$ 444,234</u>

STATE OF NEW MEXICO
SANTA FE COUNTY

Non Major Special Revenue Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Continued)

Year Ended June 30, 2008

	EMS Health Care	EMS Health Hospital	Fire Operations Fund	Alcohol Programs Fund	Detox Programs Fund	Indigent Services Fund
Revenues:						
Grants	\$ 159,721	\$ -	\$ 819,550	\$ 1,603,715	\$ 284,322	\$ -
Property tax	-	-	-	-	-	-
Gross receipts tax	-	5,272,490	9,121,968	-	-	-
Other taxes and assessments	-	-	-	-	-	-
Interest earnings	-	-	-	-	-	-
Charges for services	3,880,989	-	1,167,430	72,698	1,211,957	2,397,547
Other	-	-	142	-	-	-
Total revenues	<u>4,040,710</u>	<u>5,272,490</u>	<u>11,109,090</u>	<u>1,676,413</u>	<u>1,496,279</u>	<u>2,397,547</u>
Expenditures:						
General government	-	-	-	-	-	-
Public safety	-	-	5,283,781	-	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	3,772,127	4,800,000	-	1,138,781	1,398,199	1,580,144
Culture and recreation	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Total expenditures	<u>3,772,127</u>	<u>4,800,000</u>	<u>5,283,781</u>	<u>1,138,781</u>	<u>1,398,199</u>	<u>1,580,144</u>
Excess (deficiency) of revenues over expenditures	<u>268,583</u>	<u>472,490</u>	<u>5,825,309</u>	<u>537,632</u>	<u>98,080</u>	<u>817,403</u>
Other financing sources (uses):						
Operating transfers in	1,028,611	-	533	50,000	-	-
Operating transfers out	(11,000)	-	(1,000,000)	(216,000)	-	-
Total other financing sources (uses)	<u>1,017,611</u>	<u>-</u>	<u>(999,467)</u>	<u>(166,000)</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>1,286,194</u>	<u>472,490</u>	<u>4,825,842</u>	<u>371,632</u>	<u>98,080</u>	<u>817,403</u>
Fund balance (deficit), beginning of year	4,687,505	-	-	193,271	873,180	746,784
Prior period restatement/reclassification	(1,817,087)	1,203,836	1,044,423	-	-	-
Fund balance, beginning as restated	<u>2,870,418</u>	<u>1,203,836</u>	<u>1,044,423</u>	<u>193,271</u>	<u>873,180</u>	<u>746,784</u>
Fund balance (deficit), end of year	<u>\$ 4,156,612</u>	<u>\$ 1,676,326</u>	<u>\$ 5,870,265</u>	<u>\$ 564,903</u>	<u>\$ 971,260</u>	<u>\$ 1,564,187</u>

STATE OF NEW MEXICO
SANTA FE COUNTY

Non Major Special Revenue Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Conti

Year Ended June 30, 2008

	Linkages	Recreation	Totals
Revenues:			
Grants	\$ 26,511	\$ -	\$ 7,339,597
Property tax	-	-	1,009,534
Gross receipts tax	-	-	26,769,430
Other taxes and assessments	-	246	1,088,449
Interest earnings	-	-	70,533
Charges for services	-	-	9,938,846
Other	-	-	63,283
Total revenues	26,511	246	46,279,672
Expenditures:			
General government	-	-	1,141,309
Public safety	-	-	8,259,278
Highways and streets	-	-	2,791,299
Health and welfare	20,852	-	19,002,379
Culture and recreation	-	-	65,581
Economic development	-	-	2,121,000
Total expenditures	20,852	-	33,380,846
Excess (deficiency) of revenues over expenditures	5,659	246	12,898,826
Other financing sources (uses):			
Operating transfers in	-	-	5,816,657
Operating transfers out	-	-	(8,393,903)
Total other financing sources (uses)	-	-	(2,577,246)
Net change in fund balances	5,659	246	10,321,580
Fund balance (deficit), beginning of year	-	9,184	26,180,770
Prior period restatement/reclassification	-	-	431,172
Fund balance, beginning as restated	-	9,184	26,611,942
Fund balance (deficit), end of year	\$ 5,659	\$ 9,430	\$ 36,933,522

STATE OF NEW MEXICO
SANTA FE COUNTY

Non Major Special Revenue Funds
Combining Statement of Revenues and Expenditures
Budget to Actual (Non-GAAP Basis)

Year Ended June 30, 2008

		Corrections Fund			
		Original Budget	Final Budget	Actual	Variance- Favorable (Unfavorable)
Revenues:					
	Grants	\$ -	\$ -	\$ -	\$ -
	Taxes and special assessments	-	-	-	-
	Interest earnings	-	-	-	-
	Charges for services	150,000	150,000	296,969	146,969
	Other	-	-	-	-
	Total revenues	150,000	150,000	296,969	\$ 146,969
Cash balance carryforward		-	28,405		
	Total	\$ 150,000	\$ 178,405		
Expenditures:					
	General government services	\$ -	\$ 28,405	-	\$ 28,405
	Public safety	-	-	-	-
	Highways and streets	-	-	-	-
	Health and welfare	-	-	-	-
	Culture and recreation	-	-	-	-
	Economic development	-	-	-	-
	Total expenditures	\$ -	\$ 28,405	-	\$ 28,405
Other financing sources (uses):					
	Operating transfers in	\$ -	\$ -	-	\$ -
	Operating transfers out	(150,000)	(150,000)	(150,000)	-
	Total other financing sources (uses)	\$ (150,000)	\$ (150,000)	(150,000)	\$ -
Net income (loss) - Budgetary basis				146,969	
Reconciliation to GAAP basis income (loss):					
	To record audit adjustments for revenue, net of prior year revenue reversals			-	
	To record audit adjustment for expenses			-	
	Audit entry to increase reserve for uncollectible accounts			-	
	Outstanding encumbrances recorded as budgetary expenditures and not for GAAP purposes			-	
	Reversal of prior year accruals			-	
	Change in fund balance - GAAP basis			\$ 146,969	

STATE OF NEW MEXICO
SANTA FE COUNTY

**Non Major Special Revenue Funds
Combining Statement of Revenues and Expenditures
Budget to Actual (Non-GAAP Basis)**

Year Ended June 30, 2008

		Valuation Fund			
		Original Budget	Final Budget	Actual	Variance- Favorable (Unfavorable)
Revenues:					
	Grants	\$ -	\$ -	\$ -	\$ -
	Taxes and special assessments	825,000	825,000	1,009,534	184,534
	Interest earnings	-	-	-	-
	Charges for services	-	-	26	26
	Other	-	-	250	250
	Total revenues	825,000	825,000	1,009,810	\$ 184,810
Cash balance carryforward		436,779	510,387		
	Total	\$ 1,261,779	\$ 1,335,387		
Expenditures:					
	General government services	\$ 1,261,779	\$ 1,639,167	1,522,731	\$ 116,436
	Public safety	-	-	-	-
	Highways and streets	-	-	-	-
	Health and welfare	-	-	-	-
	Culture and recreation	-	-	-	-
	Economic development	-	-	-	-
	Total expenditures	\$ 1,261,779	\$ 1,639,167	1,522,731	\$ 116,436
Other financing sources (uses):					
	Operating transfers in	\$ -	\$ 303,780	303,780	\$ -
	Operating transfers out	-	-	-	-
	Total other financing sources (uses)	\$ -	\$ 303,780	303,780	\$ -
Net income (loss) - Budgetary basis				(209,141)	
Reconciliation to GAAP basis income (loss):					
	To record audit adjustments for revenue, net of prior year revenue reversals			-	
	To record audit adjustment for expenses			-	
	Audit entry to increase reserve for uncollectible accounts			-	
	Outstanding encumbrances recorded as budgetary expenditures and not for GAAP purposes			521,051	
	Reversal of prior year accruals			-	
	Change in fund balance - GAAP basis			\$ 311,910	

STATE OF NEW MEXICO
SANTA FE COUNTY

Non Major Special Revenue Funds
Combining Statement of Revenues and Expenditures
Budget to Actual (Non-GAAP Basis)

Year Ended June 30, 2008

		Road Maintenance			Variance- Favorable
		Original Budget	Final Budget	Actual	(Unfavorable)
Revenues:					
	Grants	\$ 42,000	\$ 42,000	\$ 42,743	\$ 743
	Taxes and special assessments	700,000	700,000	695,527	(4,473)
	Interest earnings	-	-	-	-
	Charges for services	11,000	11,000	9,721	(1,279)
	Other	-	-	1,173	1,173
	Total revenues	753,000	753,000	749,164	\$ (3,836)
Cash balance carryforward		-	350,753		
	Total	\$ 753,000	\$ 1,103,753		
Expenditures:					
	General government services	\$ -	\$ -	-	\$ -
	Public safety	-	-	-	-
	Highways and streets	2,891,936	3,536,056	3,321,762	214,294
	Health and welfare	-	-	-	-
	Culture and recreation	-	-	-	-
	Economic development	-	-	-	-
	Total expenditures	\$ 2,891,936	\$ 3,536,056	3,321,762	\$ 214,294
Other financing sources (uses):					
	Operating transfers in	\$ 2,138,936	\$ 2,432,303	2,432,303	\$ -
	Operating transfers out	-	-	-	-
	Total other financing sources (uses)	\$ 2,138,936	\$ 2,432,303	2,432,303	\$ -
Net income (loss) - Budgetary basis				(140,295)	
Reconciliation to GAAP basis income (loss):					
	To record audit adjustments for revenue, net of prior year revenue reversals			(4,013)	
	To record audit adjustment for expenses			-	
	Audit entry to increase reserve for uncollectible accounts			-	
	Outstanding encumbrances recorded as budgetary expenditures and not for GAAP purposes			481,781	
	Reversal of prior year accruals			48,682	
	Change in fund balance - GAAP basis			\$ 386,155	

STATE OF NEW MEXICO
SANTA FE COUNTY

**Non Major Special Revenue Funds
Combining Statement of Revenues and Expenditures
Budget to Actual (Non-GAAP Basis)**

Year Ended June 30, 2008

		Emergency Medical Services			
		Original Budget	Final Budget	Actual	Variance- Favorable (Unfavorable)
Revenues:					
	Grants	\$ 104,141	\$ 132,102	\$ 132,102	\$ -
	Taxes and special assessments	-	-	-	-
	Interest earnings	-	-	-	-
	Charges for services	-	-	-	-
	Other	-	-	100	100
	Total revenues	104,141	132,102	132,202	\$ 100
Cash balance carryforward		-	77,187		
	Total	\$ 104,141	\$ 209,289		
Expenditures:					
	General government services	\$ -	\$ -	-	\$ -
	Public safety	104,141	209,289	157,306	51,983
	Highways and streets	-	-	-	-
	Health and welfare	-	-	-	-
	Culture and recreation	-	-	-	-
	Economic development	-	-	-	-
	Total expenditures	\$ 104,141	\$ 209,289	157,306	\$ 51,983
Other financing sources (uses):					
	Operating transfers in	\$ -	\$ -	-	\$ -
	Operating transfers out	-	-	-	-
	Total other financing sources (uses)	\$ -	\$ -	-	\$ -
Net income (loss) - Budgetary basis				(25,104)	
Reconciliation to GAAP basis income (loss):					
	To record audit adjustments for revenue, net of prior year revenue reversals			-	
	To record audit adjustment for expenses			-	
	Audit entry to increase reserve for uncollectible accounts			-	
	Outstanding encumbrances recorded as budgetary expenditures and not for GAAP purposes			28,419	
	Reversal of prior year accruals			-	
	Change in fund balance - GAAP basis			\$ 3,315	

STATE OF NEW MEXICO
SANTA FE COUNTY

**Non Major Special Revenue Funds
Combining Statement of Revenues and Expenditures
Budget to Actual (Non-GAAP Basis)**

Year Ended June 30, 2008

		Farm and Range			
		Original Budget	Final Budget	Actual	Variance- Favorable (Unfavorable)
Revenues:					
	Grants	\$ 950	\$ 950	\$ 880	\$ (70)
	Taxes and special assessments	-	-	-	-
	Interest earnings	-	-	-	-
	Charges for services	-	-	-	-
	Other	-	-	-	-
	Total revenues	950	950	880	\$ (70)
Cash balance carryforward		-	-		
	Total	\$ 950	\$ 950		
Expenditures:					
	General government services	\$ 950	\$ 950	-	\$ 950
	Public safety	-	-	-	-
	Highways and streets	-	-	-	-
	Health and welfare	-	-	-	-
	Culture and recreation	-	-	-	-
	Economic development	-	-	-	-
	Total expenditures	\$ 950	\$ 950	-	\$ 950
Other financing sources (uses):					
	Operating transfers in	\$ -	\$ -	-	\$ -
	Operating transfers out	-	-	-	-
	Total other financing sources (uses)	\$ -	\$ -	-	\$ -
Net income (loss) - Budgetary basis				880	
Reconciliation to GAAP basis income (loss):					
	To record audit adjustments for revenue, net of prior year revenue reversals			-	
	To record audit adjustment for expenses			-	
	Audit entry to increase reserve for uncollectible accounts			-	
	Outstanding encumbrances recorded as budgetary expenditures and not for GAAP purposes			-	
	Reversal of prior year accruals			-	
	Change in fund balance - GAAP basis			\$ 880	

STATE OF NEW MEXICO
SANTA FE COUNTY

**Non Major Special Revenue Funds
Combining Statement of Revenues and Expenditures
Budget to Actual (Non-GAAP Basis)**

Year Ended June 30, 2008

		Fire Fund			
		Original Budget	Final Budget	Actual	Variance- Favorable (Unfavorable)
Revenues:					
	Grants	\$ 1,342,233	\$ 1,512,877	\$ 1,512,141	\$ (736)
	Taxes and special assessments	1,680,000	1,680,000	1,954,930	274,930
	Interest earnings	-	-	-	-
	Charges for services	-	-	-	-
	Other	-	7,020	14,449	7,429
	Total revenues	3,022,233	3,199,897	3,481,520	\$ 281,623
Cash balance carryforward		64,500	2,150,703		
	Total	\$ 3,086,733	\$ 5,350,600		
Expenditures:					
	General government services	\$ -	\$ -	-	\$ -
	Public safety	3,086,733	5,350,600	3,493,262	1,857,338
	Highways and streets	-	-	-	-
	Health and welfare	-	-	-	-
	Culture and recreation	-	-	-	-
	Economic development	-	-	-	-
	Total expenditures	\$ 3,086,733	\$ 5,350,600	3,493,262	\$ 1,857,338
Other financing sources (uses):					
	Operating transfers in	\$ -	\$ 9,869	9,869	-
	Operating transfers out	-	(9,869)	(9,869)	-
	Total other financing sources (uses)	\$ -	\$ -	-	\$ -
Net income (loss) - Budgetary basis				(11,742)	
Reconciliation to GAAP basis income (loss):					
	To record audit adjustments for revenue, net of prior year revenue reversals			28,715	
	To record audit adjustment for expenses			-	
	Audit entry to increase reserve for uncollectible accounts			-	
	Outstanding encumbrances recorded as budgetary expenditures and not for GAAP purposes			702,304	
	Reversal of prior year accruals			159,731	
	Change in fund balance - GAAP basis			\$ 879,008	

Non Major Special Revenue Funds
Combining Statement of Revenues and Expenditures
Budget to Actual (Non-GAAP Basis)

Year Ended June 30, 2008

		Law Enforcement Protection Fund			
		Original Budget	Final Budget	Actual	Variance- Favorable (Unfavorable)
Revenues:					
	Grants	\$ 68,400	\$ 68,400	\$ 69,600	\$ 1,200
	Taxes and special assessments	-	-	-	-
	Interest earnings	-	-	-	-
	Charges for services	-	-	-	-
	Other	-	-	470	470
	Total revenues	<u>68,400</u>	<u>68,400</u>	<u>70,070</u>	<u>\$ 1,670</u>
Cash balance carryforward		-	51,892		
	Total	<u>\$ 68,400</u>	<u>\$ 120,292</u>		
Expenditures:					
	General government services	\$ -	\$ -	-	\$ -
	Public safety	68,400	120,292	112,741	7,551
	Highways and streets	-	-	-	-
	Health and welfare	-	-	-	-
	Culture and recreation	-	-	-	-
	Economic development	-	-	-	-
	Total expenditures	<u>\$ 68,400</u>	<u>\$ 120,292</u>	<u>112,741</u>	<u>\$ 7,551</u>
Other financing sources (uses):					
	Operating transfers in	\$ -	\$ -	-	\$ -
	Operating transfers out	-	-	-	-
	Total other financing sources (uses)	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Net income (loss) - Budgetary basis				(42,671)	
Reconciliation to GAAP basis income (loss):					
	To record audit adjustments for revenue, net of prior year revenue reversals			-	
	To record audit adjustment for expenses			-	
	Audit entry to increase reserve for uncollectible accounts			-	
	Outstanding encumbrances recorded as budgetary expenditures and not for GAAP purposes			11,380	
	Reversal of prior year accruals			-	
	Change in fund balance - GAAP basis			<u>\$ (31,291)</u>	

STATE OF NEW MEXICO
SANTA FE COUNTY

Non Major Special Revenue Funds
Combining Statement of Revenues and Expenditures
Budget to Actual (Non-GAAP Basis)

Year Ended June 30, 2008

		Lodger's Tax			
		Original Budget	Final Budget	Actual	Variance- Favorable (Unfavorable)
Revenues:					
	Grants	\$ -	\$ 5,000	\$ -	\$ (5,000)
	Taxes and special assessments	370,250	370,250	406,088	35,838
	Interest earnings	-	-	52,538	52,538
	Charges for services	-	-	-	-
	Other	-	-	-	-
	Total revenues	<u>370,250</u>	<u>375,250</u>	<u>458,626</u>	<u>\$ 83,376</u>
Cash balance carryforward		-	43,081		
	Total	<u>\$ 370,250</u>	<u>\$ 418,331</u>		
Expenditures:					
	General government services	\$ -	\$ -	-	\$ -
	Public safety	-	-	-	-
	Highways and streets	-	-	-	-
	Health and welfare	-	-	-	-
	Culture and recreation	-	-	-	-
	Economic development	370,250	418,331	372,951	45,380
	Total expenditures	<u>\$ 370,250</u>	<u>\$ 418,331</u>	<u>372,951</u>	<u>\$ 45,380</u>
Other financing sources (uses):					
	Operating transfers in	\$ -	\$ -	-	\$ -
	Operating transfers out	-	-	-	-
	Total other financing sources (uses)	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Net income (loss) - Budgetary basis				85,675	
Reconciliation to GAAP basis income (loss):					
To record audit adjustments for revenue, net of prior year revenue reversals				(30,898)	
To record audit adjustment for expenses				-	
Audit entry to increase reserve for uncollectible accounts				-	
Outstanding encumbrances recorded as budgetary expenditures and not for GAAP purposes				87,892	
Reversal of prior year accruals				-	
Change in fund balance - GAAP basis				<u>\$ 142,669</u>	

STATE OF NEW MEXICO
SANTA FE COUNTY

Non Major Special Revenue Funds
Combining Statement of Revenues and Expenditures
Budget to Actual (Non-GAAP Basis)

Year Ended June 30, 2008

		Fire Impact Fees			
		Original Budget	Final Budget	Actual	Variance- Favorable (Unfavorable)
Revenues:					
	Grants	\$ -	\$ -	\$ -	\$ -
	Taxes and special assessments	-	-	-	-
	Interest earnings	-	-	-	-
	Charges for services	-	-	718,827	718,827
	Other	-	-	-	-
	Total revenues	-	-	<u>718,827</u>	<u>\$ 718,827</u>
Cash balance carryforward		-	3,133,054		
	Total	<u>\$ -</u>	<u>\$ 3,133,054</u>		
Expenditures:					
	General government services	\$ -	\$ -	-	\$ -
	Public safety	-	3,133,054	476,914	2,656,140
	Highways and streets	-	-	-	-
	Health and welfare	-	-	-	-
	Culture and recreation	-	-	-	-
	Economic development	-	-	-	-
	Total expenditures	<u>\$ -</u>	<u>\$ 3,133,054</u>	<u>476,914</u>	<u>\$ 2,656,140</u>
Other financing sources (uses):					
	Operating transfers in	\$ -	\$ -	-	\$ -
	Operating transfers out	-	-	-	-
	Total other financing sources (uses)	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Net income (loss) - Budgetary basis				241,913	
Reconciliation to GAAP basis income (loss):					
	To record audit adjustments for revenue, net of prior year revenue reversals			-	
	To record audit adjustment for expenses			-	
	Audit entry to increase reserve for uncollectible accounts			-	
	Outstanding encumbrances recorded as budgetary expenditures and not for GAAP purposes			375,748	
	Reversal of prior year accruals			-	
	Change in fund balance - GAAP basis			<u>\$ 617,661</u>	

STATE OF NEW MEXICO
SANTA FE COUNTY

**Non Major Special Revenue Funds
Combining Statement of Revenues and Expenditures
Budget to Actual (Non-GAAP Basis)**

Year Ended June 30, 2008

		Clerk Recording			
		Original <u>Budget</u>	Final <u>Budget</u>	<u>Actual</u>	Variance- Favorable (Unfavorable)
Revenues:					
	Grants	\$ -	\$ -	\$ -	\$ -
	Taxes and special assessments	-	-	-	-
	Interest earnings	-	-	-	-
	Charges for services	190,000	190,000	156,294	(33,706)
	Other	-	-	644	644
		190,000	190,000	156,938	\$ (33,062)
	Total revenues	190,000	190,000	156,938	\$ (33,062)
Cash balance carry forward		22,320	79,000		
		22,320	79,000		
	Total	\$ 212,320	\$ 269,000		
Expenditures:					
	General government services	\$ 212,320	\$ 269,000	193,449	\$ 75,551
	Public safety	-	-	-	-
	Highways and streets	-	-	-	-
	Health and welfare	-	-	-	-
	Culture and recreation	-	-	-	-
	Economic development	-	-	-	-
		-	-	-	-
	Total expenditures	\$ 212,320	\$ 269,000	193,449	\$ 75,551
Other financing sources (uses):					
	Operating transfers in	\$ -	\$ -	-	\$ -
	Operating transfers out	-	-	-	-
		-	-	-	-
	Total other financing sources (uses)	\$ -	\$ -	-	\$ -
Net income (loss) - Budgetary basis				(36,511)	
Reconciliation to GAAP basis income (loss):					
	To record audit adjustments for revenue, net of prior year revenue reversals			-	
	To record audit adjustment for expenses			-	
	Audit entry to increase reserve for uncollectible accounts			-	
	Outstanding encumbrances recorded as budgetary expenditures and not for GAAP purposes			53,820	
	Reversal of prior year accruals			-	
				-	
	Change in fund balance - GAAP basis			\$ 17,309	

STATE OF NEW MEXICO
SANTA FE COUNTY

Non Major Special Revenue Funds
Combining Statement of Revenues and Expenditures
Budget to Actual (Non-GAAP Basis)

Year Ended June 30, 2008

		Indigent Hospital			
		Original	Final		Variance-
		Budget	Budget	Actual	Favorable
					(Unfavorable)
Revenues:					
	Grants	\$ -	\$ -	\$ -	\$ -
	Taxes and special assessments	4,800,000	4,800,000	5,250,840	450,840
	Interest earnings	-	-	-	-
	Charges for services	-	-	-	-
	Other	-	-	37,369	37,369
	Total revenues	4,800,000	4,800,000	5,288,209	\$ 488,209
Cash balance carryforward		-	-		
	Total	\$ 4,800,000	\$ 4,800,000		
Expenditures:					
	General government services	\$ -	\$ -	-	\$ -
	Public safety	-	-	-	-
	Highways and streets	-	-	-	-
	Health and welfare	4,800,000	4,800,000	4,341,542	458,458
	Culture and recreation	-	-	-	-
	Economic development	-	-	-	-
	Total expenditures	\$ 4,800,000	\$ 4,800,000	4,341,542	\$ 458,458
Other financing sources (uses):					
	Operating transfers in	\$ -	\$ -	-	\$ -
	Operating transfers out	-	-	-	-
	Total other financing sources (uses)	\$ -	\$ -	-	\$ -
Net income (loss) - Budgetary basis				946,667	
Reconciliation to GAAP basis income (loss):					
To record audit adjustments for revenue, net of prior year revenue reversals				(113,625)	
To record audit adjustment for expenses				-	
Audit entry to increase reserve for uncollectible accounts				-	
Outstanding encumbrances recorded as budgetary expenditures and not for GAAP purposes				2	
Reversal of prior year accruals				-	
Change in fund balance - GAAP basis				<u>\$ 833,044</u>	

STATE OF NEW MEXICO
SANTA FE COUNTY

**Non Major Special Revenue Funds
Combining Statement of Revenues and Expenditures
Budget to Actual (Non-GAAP Basis)**

Year Ended June 30, 2008

		Economic Development Fund			
		Original <u>Budget</u>	Final <u>Budget</u>	<u>Actual</u>	Variance- Favorable <u>(Unfavorable)</u>
Revenues:					
	Grants	\$ -	\$ 5,000	\$ 5,000	\$ -
	Taxes and special assessments	-	-	-	-
	Interest earnings	-	-	-	-
	Charges for services	-	-	-	-
	Other	-	-	1,172	1,172
	Total revenues	-	5,000	6,172	\$ 1,172
Cash balance carryforward		-	520		
	Total	\$ -	\$ 5,520		
Expenditures:					
	General government services	\$ -	\$ -	-	\$ -
	Public safety	-	-	-	-
	Highways and streets	-	-	-	-
	Health and welfare	-	-	-	-
	Culture and recreation	-	-	-	-
	Economic development	-	1,905,520	1,835,941	69,579
	Total expenditures	\$ -	\$ 1,905,520	1,835,941	\$ 69,579
Other financing sources (uses):					
	Operating transfers in	\$ -	\$ 1,900,000	1,900,000	\$ -
	Operating transfers out	-	-	-	-
	Total other financing sources (uses)	\$ -	\$ 1,900,000	1,900,000	\$ -
Net income (loss) - Budgetary basis				70,231	
Reconciliation to GAAP basis income (loss):					
	To record audit adjustments for revenue, net of prior year revenue reversals			-	
	To record audit adjustment for expenses			-	
	Audit entry to increase reserve for uncollectible accounts			-	
	Outstanding encumbrances recorded as budgetary expenditures and not for GAAP purposes			-	
	Reversal of prior year accruals			-	
	Change in fund balance - GAAP basis			\$ 70,231	

STATE OF NEW MEXICO
SANTA FE COUNTY

**Non Major Special Revenue Funds
Combining Statement of Revenues and Expenditures
Budget to Actual (Non-GAAP Basis)**

Year Ended June 30, 2008

		Federal Forfeitures Monies			
		Original Budget	Final Budget	Actual	Variance- Favorable (Unfavorable)
Revenues:					
Grants		\$ -	\$ -	\$ -	\$ -
Taxes and special assessments		-	1,177	10,306	9,129
Interest earnings		-	-	-	-
Charges for services		-	-	-	-
Other		-	9,457	9,457	-
	Total revenues	-	10,634	19,763	\$ 9,129
Cash balance carryforward		40,644	42,486		
	Total	\$ 40,644	\$ 53,120		
Expenditures:					
General government services		\$ -	\$ -	-	\$ -
Public safety		40,644	53,120	12,856	40,264
Highways and streets		-	-	-	-
Health and welfare		-	-	-	-
Culture and recreation		-	-	-	-
Economic development		-	-	-	-
	Total expenditures	\$ 40,644	\$ 53,120	12,856	\$ 40,264
Other financing sources (uses):					
Operating transfers in		\$ -	\$ -	-	\$ -
Operating transfers out		-	-	-	-
	Total other financing sources (uses)	\$ -	\$ -	-	\$ -
Net income (loss) - Budgetary basis				6,907	
Reconciliation to GAAP basis income (loss):					
To record audit adjustments for revenue, net of prior year revenue reversals				-	
To record audit adjustment for expenses				-	
Audit entry to increase reserve for uncollectible accounts				-	
Outstanding encumbrances recorded as budgetary expenditures and not for GAAP purposes				-	
Reversal of prior year accruals				-	
Change in fund balance - GAAP basis				\$ 6,907	

STATE OF NEW MEXICO
SANTA FE COUNTY

Non Major Special Revenue Funds
Combining Statement of Revenues and Expenditures
Budget to Actual (Non-GAAP Basis)

Year Ended June 30, 2008

		Section 8 - Voucher Program			Variance- Favorable
		Original Budget	Final Budget	Actual	(Unfavorable)
Revenues:					
	Grants	\$ 1,801,091	\$ 2,017,574	\$ 2,228,297	\$ 210,723
	Taxes and special assessments	-	-	-	-
	Interest earnings	-	-	17,995	17,995
	Charges for services	-	-	7,614	7,614
	Other	-	-	-	-
	Total revenues	1,801,091	2,017,574	2,253,906	\$ 236,332
Cash balance carryforward		-	25,254		
	Total	<u>\$ 1,801,091</u>	<u>\$ 2,042,828</u>		
Expenditures:					
	General government services	\$ -	\$ -	-	\$ -
	Public safety	-	-	-	-
	Highways and streets	-	-	-	-
	Health and welfare	1,632,226	2,042,828	1,822,134	220,694
	Culture and recreation	-	-	-	-
	Economic development	-	-	-	-
	Total expenditures	<u>\$ 1,632,226</u>	<u>\$ 2,042,828</u>	1,822,134	\$ 220,694
Other financing sources (uses):					
	Operating transfers in	\$ -	\$ -	-	\$ -
	Operating transfers out	(168,865)	-	-	-
	Total other financing sources (uses)	<u>\$ (168,865)</u>	<u>\$ -</u>	-	\$ -
Net income (loss) - Budgetary basis				431,772	
Reconciliation to GAAP basis income (loss):					
	To record audit adjustments for revenue, net of prior year revenue reversals			179,392	
	To record audit adjustment for expenses			-	
	Audit entry to increase reserve for uncollectible accounts			-	
	Outstanding encumbrances recorded as budgetary expenditures and not for GAAP purposes			24,534	
	Reversal of prior year accruals			-	
	Change in fund balance - GAAP basis			<u>\$ 635,698</u>	

STATE OF NEW MEXICO
SANTA FE COUNTY

Non Major Special Revenue Funds
Combining Statement of Revenues and Expenditures
Budget to Actual (Non-GAAP Basis)

Year Ended June 30, 2008

		Housing Services Grant Program			
		Original Budget	Final Budget	Actual	Variance- Favorable (Unfavorable)
Revenues:					
	Grants	\$ -	\$ -	\$ -	\$ -
	Taxes and special assessments	-	-	-	-
	Interest earnings	-	-	-	-
	Charges for services	-	-	-	-
	Other	-	-	-	-
	Total revenues	-	-	-	\$ -
Cash balance carryforward		-	2,059,534		
	Total	\$ -	\$ 2,059,534		
Expenditures:					
	General government services	\$ -	\$ -	-	\$ -
	Public safety	-	-	-	-
	Highways and streets	-	-	-	-
	Health and welfare	-	2,500	-	2,500
	Culture and recreation	-	-	-	-
	Economic development	-	-	-	-
	Total expenditures	\$ -	\$ 2,500	-	\$ 2,500
Other financing sources (uses):					
	Operating transfers in	\$ -	\$ -	-	\$ -
	Operating transfers out	-	(2,057,034)	(2,057,034)	-
	Total other financing sources (uses)	\$ -	\$ (2,057,034)	(2,057,034)	\$ -
Net income (loss) - Budgetary basis				(2,057,034)	
Reconciliation to GAAP basis income (loss):					
	To record audit adjustments for revenue, net of prior year revenue reversals			-	
	To record audit adjustment for expenses			-	
	Audit entry to increase reserve for uncollectible accounts			-	
	Outstanding encumbrances recorded as budgetary expenditures and not for GAAP purposes			-	
	Reversal of prior year accruals			-	
	Change in fund balance - GAAP basis			\$ (2,057,034)	

STATE OF NEW MEXICO
SANTA FE COUNTY

**Non Major Special Revenue Funds
Combining Statement of Revenues and Expenditures
Budget to Actual (Non-GAAP Basis)**

Year Ended June 30, 2008

		CFP Program			
		Original Budget	Final Budget	Actual	Variance- Favorable (Unfavorable)
Revenues:					
	Grants	\$ 112,213	\$ 417,673	\$ 440,076	\$ 22,403
	Taxes and special assessments	-	-	-	-
	Interest earnings	-	-	-	-
	Charges for services	-	-	-	-
	Other	-	-	-	-
	Total revenues	112,213	417,673	440,076	\$ 22,403
Cash balance carryforward		-	13,394		
	Total	\$ 112,213	\$ 431,067		
Expenditures:					
	General government services	\$ -	\$ -	-	\$ -
	Public safety	-	-	-	-
	Highways and streets	-	-	-	-
	Health and welfare	112,213	522,628	338,987	183,641
	Culture and recreation	-	-	-	-
	Economic development	-	-	-	-
	Total expenditures	\$ 112,213	\$ 522,628	338,987	\$ 183,641
Other financing sources (uses):					
	Operating transfers in	\$ -	\$ 91,561	91,561	\$ -
	Operating transfers out	-	-	-	-
	Total other financing sources (uses)	\$ -	\$ 91,561	91,561	\$ -
Net income (loss) - Budgetary basis				192,650	
Reconciliation to GAAP basis income (loss):					
To record audit adjustments for revenue, net of prior year revenue reversals				(136,429)	
To record audit adjustment for expenses				-	
Audit entry to increase reserve for uncollectible accounts				-	
Outstanding encumbrances recorded as budgetary expenditures and not for GAAP purposes				35,595	
Reversal of prior year accruals				256	
Change in fund balance - GAAP basis				\$ 92,072	

Non Major Special Revenue Funds
Combining Statement of Revenues and Expenditures
Budget to Actual (Non-GAAP Basis)

Year Ended June 30, 2008

	Correctional Gross Receipt Tax			
	Original Budget	Final Budget	Actual	Variance- Favorable (Unfavorable)
Revenues:				
Grants	\$ -	\$ -	\$ -	\$ -
Taxes and special assessments	4,800,000	4,800,000	5,227,015	427,015
Interest earnings	-	-	-	-
Charges for services	-	-	-	-
Other	-	-	-	-
Total revenues	<u>4,800,000</u>	<u>4,800,000</u>	<u>5,227,015</u>	<u>\$ 427,015</u>
Cash balance carryforward	-	-		
Total	<u>\$ 4,800,000</u>	<u>\$ 4,800,000</u>		
Expenditures:				
General government services	\$ -	\$ -	-	\$ -
Public safety	-	-	-	-
Highways and streets	-	-	-	-
Health and welfare	-	-	-	-
Culture and recreation	-	-	-	-
Economic development	-	-	-	-
Total expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Other financing sources (uses):				
Operating transfers in	\$ -	\$ -	-	\$ -
Operating transfers out	(4,800,000)	(4,800,000)	(4,800,000)	-
Total other financing sources (uses)	<u>\$ (4,800,000)</u>	<u>\$ (4,800,000)</u>	<u>(4,800,000)</u>	<u>\$ -</u>
Net income (loss) - Budgetary basis			427,015	
Reconciliation to GAAP basis income (loss):				
To record audit adjustments for revenue, net of prior year revenue reversals			27,097	
To record audit adjustment for expenses			-	
Audit entry to increase reserve for uncollectible accounts			-	
Outstanding encumbrances recorded as budgetary expenditures and not for GAAP purposes			-	
Reversal of prior year accruals			-	
Change in fund balance - GAAP basis			<u>\$ 454,112</u>	

Non Major Special Revenue Funds
Combining Statement of Revenues and Expenditures
Budget to Actual (Non-GAAP Basis)

Year Ended June 30, 2008

		Wildlife Mountain Trails			
		Original Budget	Final Budget	Actual	Variance- Favorable (Unfavorable)
Revenues:					
	Grants	\$ -	\$ -	\$ -	\$ -
	Taxes and special assessments	-	-	-	-
	Interest earnings	-	-	-	-
	Charges for services	-	-	-	-
	Other	-	-	-	-
	Total revenues	-	-	-	\$ -
Cash balance carryforward		71,621	72,336		
	Total	<u>\$ 71,621</u>	<u>\$ 72,336</u>		
Expenditures:					
	General government services	\$ -	\$ -	-	\$ -
	Public safety	-	-	-	-
	Highways and streets	-	-	-	-
	Health and welfare	-	-	-	-
	Culture and recreation	71,621	72,336	65,581	6,755
	Economic development	-	-	-	-
	Total expenditures	<u>\$ 71,621</u>	<u>\$ 72,336</u>	65,581	<u>\$ 6,755</u>
Other financing sources (uses):					
	Operating transfers in	\$ -	\$ -	-	\$ -
	Operating transfers out	-	-	-	-
	Total other financing sources (uses)	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
Net income (loss) - Budgetary basis				(65,581)	
Reconciliation to GAAP basis income (loss):					
	To record audit adjustments for revenue, net of prior year revenue reversals			-	
	To record audit adjustment for expenses			-	
	Audit entry to increase reserve for uncollectible accounts			-	
	Outstanding encumbrances recorded as budgetary expenditures and not for GAAP purposes			-	
	Reversal of prior year accruals			-	
	Change in fund balance - GAAP basis			<u>\$ (65,581)</u>	

STATE OF NEW MEXICO
SANTA FE COUNTY

**Non Major Special Revenue Funds
Combining Statement of Revenues and Expenditures -
Budget to Actual (Non-GAAP Basis)**

Year Ended June 30, 2008

		EMS - Health Care			
		Original Budget	Final Budget	Actual	Variance- Favorable (Unfavorable)
Revenues:					
Grants		\$ 132,523	\$ 140,323	\$ 159,721	\$ 19,398
Taxes and special assessments		-	-	-	-
Interest earnings		-	-	-	-
Charges for services		3,795,192	3,795,192	4,866,907	1,071,715
Other		-	-	-	-
	Total revenues	3,927,715	3,935,515	5,026,628	\$ 1,091,113
Cash balance carryforward		-	477,522		
	Total	\$ 3,927,715	\$ 4,413,037		
Expenditures:					
General government services		\$ -	\$ -	-	\$ -
Public safety		-	-	-	-
Highways and streets		-	-	-	-
Health and welfare		4,927,715	5,430,648	4,372,503	1,058,145
Culture and recreation		-	-	-	-
Economic development		-	-	-	-
	Total expenditures	\$ 4,927,715	\$ 5,430,648	4,372,503	\$ 1,058,145
Other financing sources (uses):					
Operating transfers in		\$ 1,000,000	\$ 1,028,611	1,028,611	\$ -
Operating transfers out		-	(11,000)	(11,000)	-
	Total other financing sources (uses)	\$ 1,000,000	\$ 1,017,611	1,017,611	\$ -
Net income (loss) - Budgetary basis				1,671,736	
Reconciliation to GAAP basis income (loss):					
To record audit adjustment for revenue				(985,918)	
To record audit adjustment for expenses				-	
Audit entry to increase reserve for uncollectible accounts				-	
Outstanding encumbrances recorded as budgetary expenditures and not for GAAP purposes, net of accounts payable				548,554	
Reversal of prior year accruals				51,822	
Change in fund balance - GAAP basis				\$ 1,286,194	

STATE OF NEW MEXICO
SANTA FE COUNTY

**Non Major Special Revenue Funds
Combining Statement of Revenues and Expenditures -
Budget to Actual (Non-GAAP Basis)**

Year Ended June 30, 2008

		EMS - Health Hospital			
		Original Budget	Final Budget	Actual	Variance- Favorable (Unfavorable)
Revenues:					
Grants		\$ -	\$ -	\$ -	\$ -
Taxes and special assessments		4,800,000	4,800,000	5,250,942	450,942
Interest earnings		-	-	-	-
Charges for services		-	-	-	-
Other		-	-	-	-
	Total revenues	4,800,000	4,800,000	5,250,942	\$ 450,942
Cash balance carryforward		-	-		
	Total	\$ 4,800,000	\$ 4,800,000		
Expenditures:					
General government services		\$ -	\$ -	-	\$ -
Public safety		-	-	-	-
Highways and streets		-	-	-	-
Health and welfare		4,800,000	4,800,000	4,800,000	-
Culture and recreation		-	-	-	-
Economic development		-	-	-	-
	Total expenditures	\$ 4,800,000	\$ 4,800,000	4,800,000	\$ -
Other financing sources (uses):					
Operating transfers in		\$ -	\$ -	-	\$ -
Operating transfers out		-	-	-	-
	Total other financing sources (uses)	\$ -	\$ -	-	\$ -
Net income (loss) - Budgetary basis				450,942	
Reconciliation to GAAP basis income (loss):					
To record audit adjustment for revenue				21,548	
To record audit adjustment for expenses				-	
Audit entry to increase reserve for uncollectible accounts				-	
Outstanding encumbrances recorded as budgetary expenditures and not for GAAP purposes, net of accounts payable				-	
Reversal of prior year accruals				-	
Change in fund balance - GAAP basis				\$ 472,490	

Non Major Special Revenue Funds
Combining Statement of Revenues and Expenditures
Budget to Actual (Non-GAAP Basis)

Year Ended June 30, 2008

		Fire Operations Fund			
		Original <u>Budget</u>	Final <u>Budget</u>	<u>Actual</u>	Variance- Favorable <u>(Unfavorable)</u>
Revenues:					
	Grants	\$ 455,962	\$ 1,675,827	\$ 1,239,828	\$ (435,999)
	Taxes and special assessments	7,000,000	7,000,000	7,514,986	514,986
	Interest earnings	-	-	-	-
	Charges for services	600,000	600,000	678,510	78,510
	Other	-	262	9,637	9,375
	Total revenues	8,055,962	9,276,089	9,442,961	\$ 166,872
Cash balance carryforward		-	257,678		
	Total	\$ 8,055,962	\$ 9,533,767		
Expenditures:					
	General government services	\$ -	\$ -	-	\$ -
	Public safety	6,936,511	8,414,849	6,271,608	2,143,241
	Highways and streets	-	-	-	-
	Health and welfare	-	-	-	-
	Culture and recreation	-	-	-	-
	Economic development	-	-	-	-
	Total expenditures	\$ 6,936,511	\$ 8,414,849	6,271,608	2,143,241
Other financing sources (uses):					
	Operating transfers in	\$ -	\$ 533	533	\$ -
	Operating transfers out	(1,119,451)	(1,119,451)	(1,000,000)	(119,451)
	Total other financing sources (uses)	\$ (1,119,451)	\$ (1,118,918)	(999,467)	\$ (119,451)
Net income (loss) - Budgetary basis				2,171,886	
Reconciliation to GAAP basis income (loss):					
	To record audit adjustments for revenue, net of prior year revenue reversals			2,710,552	
	To record audit adjustment for expenses			-	
	Audit entry to record reclassification			(1,044,423)	
	Outstanding encumbrances recorded as budgetary expenditures and not for GAAP purposes			987,827	
	Reversal of prior year accruals			-	
	Change in fund balance - GAAP basis			\$ 4,825,842	

**Non Major Special Revenue Funds
Combining Statement of Revenues and Expenditures
Budget to Actual (Non-GAAP Basis)**

Year Ended June 30, 2008

		Alcohol Programs Fund			
		Original <u>Budget</u>	Final <u>Budget</u>	<u>Actual</u>	Variance- Favorable (Unfavorable)
Revenues:					
	Grants	\$ 1,490,456	\$ 1,427,956	\$ 1,127,388	\$ (300,568)
	Taxes and special assessments	-	-	-	-
	Interest earnings	-	-	-	-
	Charges for services	58,600	58,600	72,698	14,098
	Other	-	-	-	-
	Total revenues	1,549,056	1,486,556	1,200,086	\$ (286,470)
Cash balance carry forward		8,000	147,965		
	Total	\$ 1,557,056	\$ 1,634,521		
Expenditures:					
	General government services	\$ -	\$ -	-	\$ -
	Public safety	-	-	-	-
	Highways and streets	-	-	-	-
	Health and welfare	1,328,556	1,468,521	1,238,282	230,239
	Culture and recreation	-	-	-	-
	Economic development	-	-	-	-
	Total expenditures	\$ 1,328,556	\$ 1,468,521	1,238,282	\$ 230,239
Other financing sources (uses):					
	Operating transfers in	\$ 50,000	\$ 50,000	50,000	\$ -
	Operating transfers out	(278,500)	(216,000)	(216,000)	-
	Total other financing sources (uses)	\$ (228,500)	\$ (166,000)	(166,000)	\$ -
Net income (loss) - Budgetary basis				(204,196)	
Reconciliation to GAAP basis income (loss):					
	To record audit adjustments for revenue, net of prior year revenue reversals			476,328	
	To record audit adjustment for expenses			-	
	Audit entry to increase reserve for uncollectible accounts			-	
	Outstanding encumbrances recorded as budgetary expenditures and not for GAAP purposes			99,500	
	Reversal of prior year accruals			-	
	Change in fund balance - GAAP basis			\$ 371,632	

Non Major Special Revenue Funds
Combining Statement of Revenues and Expenditures
Budget to Actual (Non-GAAP Basis)

Year Ended June 30, 2008

		Detox Programs Fund			
		Original Budget	Final Budget	Actual	Variance- Favorable (Unfavorable)
Revenues:					
	Grants	\$ 478,226	\$ 478,226	\$ 440,777	\$ (37,449)
	Taxes and special assessments	-	-	-	-
	Interest earnings	-	-	-	-
	Charges for services	1,451,658	1,400,076	1,041,710	(358,366)
	Other	-	-	-	-
	Total revenues	<u>1,929,884</u>	<u>1,878,302</u>	<u>1,482,487</u>	<u>\$ (395,815)</u>
Cash balance carryforward		-	33,047		
	Total	<u>\$ 1,929,884</u>	<u>\$ 1,911,349</u>		
Expenditures:					
	General government services	\$ -	\$ -	-	\$ -
	Public safety	-	-	-	-
	Highways and streets	-	-	-	-
	Health and welfare	1,929,884	1,911,349	1,438,688	472,661
	Culture and recreation	-	-	-	-
	Economic development	-	-	-	-
	Total expenditures	<u>\$ 1,929,884</u>	<u>\$ 1,911,349</u>	<u>1,438,688</u>	<u>\$ 472,661</u>
Other financing sources (uses):					
	Operating transfers in	\$ -	\$ -	-	\$ -
	Operating transfers out	-	-	-	-
	Total other financing sources (uses)	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Net income (loss) - Budgetary basis				43,799	
Reconciliation to GAAP basis income (loss):					
To record audit adjustments for revenue, net of prior year revenue reversals				13,792	
To record audit adjustment for expenses				-	
Audit entry to increase reserve for uncollectible accounts				-	
Outstanding encumbrances recorded as budgetary expenditures and not for GAAP purposes				40,489	
Reversal of prior year accruals				-	
Change in fund balance - GAAP basis				<u>\$ 98,080</u>	

**Non Major Special Revenue Funds
Combining Statement of Revenues and Expenditures
Budget to Actual (Non-GAAP Basis)**

Year Ended June 30, 2008

		Indigent Services Fund			
		Original Budget	Final Budget	Actual	Variance- Favorable (Unfavorable)
Revenues:					
	Grants	\$ -	\$ -	\$ -	\$ -
	Taxes and special assessments	-	-	-	-
	Interest earnings	-	-	-	-
	Charges for services	2,050,000	2,050,000	2,528,532	478,532
	Other	-	-	-	-
	Total revenues	<u>2,050,000</u>	<u>2,050,000</u>	<u>2,528,532</u>	<u>\$ 478,532</u>
Cash balance carryforward		-	199,080		
	Total	<u>\$ 2,050,000</u>	<u>\$ 2,249,080</u>		
Expenditures:					
	General government services	\$ -	\$ -	-	\$ -
	Public safety	-	-	-	-
	Highways and streets	-	-	-	-
	Health and welfare	2,050,000	2,249,080	1,890,275	358,805
	Culture and recreation	-	-	-	-
	Economic development	-	-	-	-
	Total expenditures	<u>\$ 2,050,000</u>	<u>\$ 2,249,080</u>	<u>1,890,275</u>	<u>358,805</u>
Other financing sources (uses):					
	Operating transfers in	\$ -	\$ -	-	\$ -
	Operating transfers out	-	-	-	-
	Total other financing sources (uses)	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Net income (loss) - Budgetary basis				638,257	
Reconciliation to GAAP basis income (loss):					
	To record audit adjustments for revenue, net of prior year revenue reversals			(130,985)	
	To record audit adjustment for expenses			-	
	Audit entry to increase reserve for uncollectible accounts			-	
	Outstanding encumbrances recorded as budgetary expenditures and not for GAAP purposes			310,131	
	Reversal of prior year accruals			-	
	Change in fund balance - GAAP basis			<u>\$ 817,403</u>	

**Non Major Special Revenue Funds
Combining Statement of Revenues and Expenditures
Budget to Actual (Non-GAAP Basis)**

Year Ended June 30, 2008

	Linkages			
	Original Budget	Final Budget	Actual	Variance- Favorable (Unfavorable)
Revenues:				
Grants	\$ -	\$ 22,409	\$ 26,511	\$ 4,102
Taxes and special assessments	-	-	-	-
Interest earnings	-	-	-	-
Charges for services	-	-	-	-
Other	-	-	-	-
	-	22,409	\$ 26,511	\$ 4,102
Total revenues	-	22,409	\$ 26,511	\$ 4,102
Cash balance carryforward	-	-		
	-	-		
Total	\$ -	\$ 22,409		
Expenditures:				
General government services	\$ -	\$ -	\$ -	\$ -
Public safety	-	-	-	-
Highways and streets	-	-	-	-
Health and welfare	-	22,409	20,852	1,557
Culture and recreation	-	-	-	-
Economic development	-	-	-	-
	-	-	-	-
Total expenditures	\$ -	\$ 22,409	\$ 20,852	\$ 1,557
Other financing sources (uses):				
Operating transfers in	\$ -	\$ -	\$ -	\$ -
Operating transfers out	-	-	-	-
Total other financing sources (uses)	\$ -	\$ -	\$ -	\$ -
Net income (loss) - Budgetary basis			\$ 5,659	
Reconciliation to GAAP basis income (loss):				
To record audit adjustments for revenue, net of prior year revenue reversals			-	
To record audit adjustment for expenses			-	
Audit entry to increase reserve for uncollectible accounts			-	
Outstanding encumbrances recorded as budgetary expenditures and not for GAAP purposes			-	
Reversal of prior year accruals			-	
Change in fund balance - GAAP basis			\$ 5,659	

STATE OF NEW MEXICO
SANTA FE COUNTY

**Non Major Special Revenue Funds
Combining Statement of Revenues and Expenditures
Budget to Actual (Non-GAAP Basis)**

Year Ended June 30, 2008

		Totals			
		Original Budget	Final Budget	Actual	Variance- Favorable (Unfavorable)
Revenues:					
	Grants	\$ 6,028,195	\$ 7,946,317	\$ 7,425,064	\$ (521,253)
	Taxes and special assessments	24,975,250	24,976,427	27,320,168	2,343,741
	Interest earnings	-	-	70,533	70,533
	Charges for services	8,306,450	8,254,868	10,377,808	2,122,940
	Other	-	16,739	74,721	57,982
	Total revenues	39,309,895	41,194,351	45,268,294	\$ 4,073,943
	Cash balance carryforward	643,864	9,753,278		
	Total	\$ 39,953,759	\$ 50,947,629		
Expenditures:					
	General government services	1,475,049	1,937,522	1,716,180	\$ 221,342
	Public safety	10,236,429	17,281,204	10,524,687	6,756,517
	Highways and streets	2,891,936	3,536,056	3,321,762	214,294
	Health and welfare	21,580,594	23,249,963	20,263,263	2,986,700
	Culture and recreation	71,621	72,336	65,581	6,755
	Economic development	370,250	2,323,851	2,208,892	114,959
	Total expenditures	\$ 36,625,879	\$ 48,400,932	38,100,365	\$ 10,300,567
Other financing sources (uses):					
	Operating transfers in	3,188,936	5,816,657	5,816,657	\$ -
	Operating transfers out	(6,516,816)	(8,363,354)	(8,243,903)	119,451
	Total other financing sources (uses)	\$ (3,327,880)	\$ (2,546,697)	(2,427,246)	\$ 119,451
	Net income (loss) - Budgetary basis			4,740,683	
Reconciliation to GAAP basis income (loss):					
	To record audit adjustments for revenue, net of prior year revenue reversals			2,055,556	
	To record audit adjustment for expenses			-	
	Audit entry to increase reserve for uncollectible accounts			(1,044,423)	
	Outstanding encumbrances recorded as budgetary expenditures and not for GAAP purposes			4,309,027	
	Reversal of prior year accruals			260,491	
	Change in fund balance - GAAP basis			\$ 10,321,334	

The accompanying notes are an integral part of this statement.

STATE OF NEW MEXICO
SANTA FE COUNTY

NON MAJOR DEBT SERVICE FUNDS

JUNE 30, 2008

The following funds have been established by the County as required by the various debt issuances:

Debt Service. To account for the pledged property taxes and payment of principal and interest related to the County's General Obligation Bonds.

Environmental Revenue Bond Fund. To account for the pledged gross receipts tax and payments of principal and interest related to the County's Environmental Revenue Bonds.

New Mexico Finance Authority (NMFA) Debt Service Fund. To account for the pledged revenues and payments of principal, interest and other costs related to the borrowings through the NMFA.

Sheriffs Facility Bond Reserve Fund. To account for \$425,905 and the interest earned that has been set aside from the County's Sheriff Facility Bond proceeds as a reserve fund. These funds will be used to repay principal and interest relating to the bonds if inadequate pledged gross receipts taxes are collected.

Fire Tax Revenue Bond Debt Service. To account for the funds set aside from the Fire Tax Revenue Bonds and funds transferred in to repay principal and interest for the bond issue.

Rancho Viejo Improvement District. To account for pledged revenues and payments of principal, interest and other debt service costs for the Rancho Viejo Bonds.

STATE OF NEW MEXICO
SANTA FE COUNTY

Exhibit E-1

Non Major Debt Service Funds
Combining Balance Sheet

June 30, 2008

	Debt Service	Environmental Revenue Bond Fund	NMFA Debt Service Fund	Sheriffs Facility Bond Reserve	Fire Tax Revenue Bond Debt Service	Rancho Viejo Improvement District	Total
ASSETS							
Equity in pooled cash and investments - restricted	\$ 10,757,734	\$ 646,569	\$ 126,051	\$ 458,211	\$ -	\$ 792,269	\$ 12,780,834
Taxes receivable	922,203	178,489	-	-	-	4,723	1,105,415
Interest receivable and other	-	-	-	12,282	-	-	12,282
Due from other funds	-	-	-	-	5,719	-	5,719
	<u>\$ 11,679,937</u>	<u>\$ 825,058</u>	<u>\$ 126,051</u>	<u>\$ 470,493</u>	<u>\$ 5,719</u>	<u>\$ 796,992</u>	<u>\$ 13,904,250</u>

LIABILITIES AND FUND BALANCE

Liabilities							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Deferred revenue	861,343	-	-	-	-	2,365	863,708
Total liabilities	<u>861,343</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,365</u>	<u>863,708</u>
Fund Balance							
Reserved for debt service	10,818,594	825,058	126,051	470,493	5,719	794,627	13,040,542
Total liabilities and fund balance	<u>\$ 11,679,937</u>	<u>\$ 825,058</u>	<u>\$ 126,051</u>	<u>\$ 470,493</u>	<u>\$ 5,719</u>	<u>\$ 796,992</u>	<u>\$ 13,904,250</u>

The accompanying notes are an integral part of this statement.

**STATE OF NEW MEXICO
SANTA FE COUNTY**

Exhibit E-2

**Debt Service Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances**

Year Ended June 30, 2008

	Debt Service	Environmental Revenue Bond Fund	NMFA Debt Service Fund	Sheriff's Facility Bond Reserve	Fire Tax Revenue Debt Service	Rancho Viejo Improvement District	Totals
Revenues:							
Property tax	\$ 10,886,150	\$ -	\$ -	\$ -	\$ -	\$ 332,203	\$ 11,218,353
Gross receipts tax	-	987,785	-	-	-	-	987,785
Other taxes and assessments	-	-	-	-	-	-	-
Interest earnings	-	-	3,237	26,960	-	17,174	47,371
Total revenues	<u>10,886,150</u>	<u>987,785</u>	<u>3,237</u>	<u>26,960</u>	<u>-</u>	<u>349,377</u>	<u>12,253,509</u>
Expenditures:							
Administrative/Issuance costs	450	-	1,432	-	-	-	1,882
Debt service charges:							
Principal	6,440,000	-	281,915	145,000	-	35,000	6,901,915
Interest	2,957,346	-	16,784	277,425	-	129,050	3,380,605
Total expenditures	<u>9,397,796</u>	<u>-</u>	<u>300,131</u>	<u>422,425</u>	<u>-</u>	<u>164,050</u>	<u>10,284,402</u>
Excess (deficiency) of revenues over expenditures	<u>1,488,354</u>	<u>987,785</u>	<u>(296,894)</u>	<u>(395,465)</u>	<u>-</u>	<u>185,327</u>	<u>1,969,107</u>
Other financing sources (uses):							
Operating transfers in	98,512	-	300,131	397,425	-	-	796,068
Operating transfers out	-	(840,000)	-	-	-	-	(840,000)
Total other financing sources (uses)	<u>98,512</u>	<u>(840,000)</u>	<u>300,131</u>	<u>397,425</u>	<u>-</u>	<u>-</u>	<u>(43,932)</u>
Net change in fund balance	1,586,866	147,785	3,237	1,960	-	185,327	1,925,175
Fund balance, beginning of year	9,231,728	677,273	122,814	468,533	5,719	609,300	11,115,367
Fund balance, end of year	<u>\$ 10,818,594</u>	<u>\$ 825,058</u>	<u>\$ 126,051</u>	<u>\$ 470,493</u>	<u>\$ 5,719</u>	<u>\$ 794,627</u>	<u>\$ 13,040,542</u>

The accompanying notes are an integral part of this statement.

STATE OF NEW MEXICO
SANTA FE COUNTY

Non Major Debt Service Funds
Combining Statement of Revenues and Expenditures
Budget to Actual (Non-GAAP Basis)

Year Ended June 30, 2008

	Debt Service			Variance- Favorable (Unfavorable)
	Original Budget	Final Budget	Actual	
Revenues:				
Property taxes and special assessments	\$ 9,400,846	\$ 9,302,334	\$ 10,866,533	\$ 1,564,199
Gross receipts tax	-	-	-	-
Interest and other	-	-	-	-
Total revenues	9,400,846	9,302,334	10,866,533	1,564,199
Cash balance carryforward	-	-	-	-
Total	<u>\$ 9,400,846</u>	<u>\$ 9,302,334</u>		
Expenditures:				
Administrative/Issuance costs	\$ 3,500	\$ 3,500	450	\$ 3,050
Debt service charges:				
Principal	6,440,000	6,440,000	6,440,000	-
Interest	2,957,346	2,957,346	2,957,346	-
Total expenditures	<u>\$ 9,400,846</u>	<u>\$ 9,400,846</u>	9,397,796	\$ 3,050
Other financing sources (uses):				
Operating transfers in	\$ -	\$ 98,512	98,512	\$ -
Operating transfers out	-	-	-	-
Total other financing sources (uses)	<u>\$ -</u>	<u>\$ 98,512</u>	98,512	\$ -
Net income (loss) - Budgetary basis			1,567,249	
Reconciliation to GAAP basis income (loss):				
To record audit adjustments for revenue, net of prior year revenue reversal			19,617	
To adjust bond issuance expense			-	
Outstanding encumbrances recorded as budgetary expenditures and not for GAAP purposes			-	
Reversal of prior year accruals			-	
Change in fund balance - GAAP basis			<u>\$ 1,586,866</u>	

STATE OF NEW MEXICO
SANTA FE COUNTY

Non Major Debt Service Funds
Combining Statement of Revenues and Expenditures
Budget to Actual (Non-GAAP Basis)

Year Ended June 30, 2008

		Environmental Revenue Bond Fund			
		Original Budget	Final Budget	Actual	Variance- Favorable (Unfavorable)
Revenues:					
	Property taxes and special assessments	\$ 840,000	\$ 840,000	\$ 977,465	\$ 137,465
	Gross receipts tax	-	-	-	-
	Interest and other	-	-	-	-
	Total revenues	840,000	840,000	977,465	\$ 137,465
Cash balance carryforward		-	-		
	Total	\$ 840,000	\$ 840,000		
Expenditures:					
	Administrative/Issuance costs	\$ -	\$ -	-	\$ -
	Debt service charges:				
	Principal	-	-	-	-
	Interest	-	-	-	-
	Total expenditures	\$ -	\$ -	-	\$ -
Other financing sources (uses):					
	Operating transfers in	\$ -	\$ -	-	\$ -
	Operating transfers out	(840,000)	(840,000)	(840,000)	-
	Total other financing sources (uses)	\$ (840,000)	\$ (840,000)	(840,000)	\$ -
Net income (loss) - Budgetary basis				137,465	
Reconciliation to GAAP basis income (loss):					
	To record audit adjustments for revenue, net of prior year revenue reversal			10,320	
	To adjust bond issuance expense			-	
	Outstanding encumbrances recorded as budgetary expenditures and not for GAAP purposes			-	
	Reversal of prior year accruals			-	
	Change in fund balance - GAAP basis			\$ 147,785	

STATE OF NEW MEXICO
SANTA FE COUNTY

Non Major Debt Service Funds
Combining Statement of Revenues and Expenditures
Budget to Actual (Non-GAAP Basis)

Year Ended June 30, 2008

		NMFA Debt Service Fund			
		Original Budget	Final Budget	Actual	Variance- Favorable (Unfavorable)
Revenues:					
	Property taxes and special assessments	\$ -	\$ -	\$ -	\$ -
	Gross receipts tax	-	-	-	-
	Interest and other	-	-	3,237	3,237
	Total revenues	-	-	3,237	\$ 3,237
Cash balance carryforward		-	-		
	Total	\$ -	\$ -		
Expenditures:					
	Administrative/Issuance costs	\$ 1,432	\$ 1,432	1,432	\$ -
	Debt service charges:				
	Principal	281,915	281,915	281,915	-
	Interest	16,784	16,784	16,784	-
	Total expenditures	\$ 300,131	\$ 300,131	300,131	\$ -
Other financing sources (uses):					
	Operating transfers in	\$ 300,131	\$ 300,131	300,131	\$ -
	Operating transfers out	-	-	-	-
	Total other financing sources (uses)	\$ 300,131	\$ 300,131	300,131	\$ -
Net income (loss) - Budgetary basis				3,237	
Reconciliation to GAAP basis income (loss):					
	To record audit adjustments for revenue, net of prior year revenue reversal			-	
	To adjust bond issuance expense			-	
	Outstanding encumbrances recorded as budgetary expenditures and not for GAAP purposes			-	
	Reversal of prior year accruals			-	
	Change in fund balance - GAAP basis			\$ 3,237	

STATE OF NEW MEXICO
SANTA FE COUNTY

Non Major Debt Service Funds
Combining Statement of Revenues and Expenditures
Budget to Actual (Non-GAAP Basis)

Year Ended June 30, 2008

		Sheriff's Facility Bond Reserve Fund			Variance- Favorable (Unfavorable)
		Original Budget	Final Budget	Actual	
Revenues:					
	Property taxes and special assessments	\$ -	\$ -	\$ -	\$ -
	Gross receipts tax	-	-	-	-
	Interest and other	25,000	25,000	26,960	1,960
	Total revenues	25,000	25,000	26,960	\$ 1,960
Cash balance carryforward		-	-		
	Total	\$ 25,000	\$ 25,000		
Expenditures:					
	Administrative/Issuance costs	\$ -	\$ -	-	\$ -
	Debt service charges:				
	Principal	145,000	145,000	145,000	-
	Interest	277,425	277,425	277,425	-
	Total expenditures	\$ 422,425	\$ 422,425	422,425	\$ -
Other financing sources (uses):					
	Operating transfers in	\$ 397,425	\$ 397,425	397,425	\$ -
	Operating transfers out	-	-	-	-
	Total other financing sources (uses)	\$ 397,425	\$ 397,425	397,425	\$ -
Net income (loss) - Budgetary basis				1,960	
Reconciliation to GAAP basis income (loss):					
	To record audit adjustments for revenue, net of prior year revenue reversal			-	
	To adjust bond issuance expense			-	
	Outstanding encumbrances recorded as budgetary expenditures and not for GAAP purposes			-	
	Reversal of prior year accruals			-	
	Change in fund balance - GAAP basis			\$ 1,960	

STATE OF NEW MEXICO
SANTA FE COUNTY

**Non Major Debt Service Funds
Combining Statement of Revenues and Expenditures
Budget to Actual (Non-GAAP Basis)**

Year Ended June 30, 2008

		Totals (Memorandum Only)			
		Original Budget	Final Budget	Actual	Variance- Favorable (Unfavorable)
Revenues:					
	Property taxes and special assessments	\$ 10,240,846	\$ 10,142,334	\$ 11,843,998	\$ 1,701,664
	Gross receipts tax	-	-	-	-
	Interest and other	25,000	25,000	30,197	5,197
	Total revenues	10,265,846	10,167,334	11,874,195	\$ 1,706,861
Cash balance carryforward		-	-		
	Total	\$ 10,265,846	\$ 10,167,334		
Expenditures:					
	Administrative/Issuance costs	\$ 4,932	\$ 4,932	1,882	\$ 3,050
	Debt service charges:	-	-	-	
	Principal	6,866,915	6,866,915	6,866,915	-
	Interest	3,251,555	3,251,555	3,251,555	-
	Total expenditures	\$ 10,123,402	\$ 10,123,402	10,120,352	\$ 3,050
Other financing sources (uses):					
	Operating transfers in	\$ 697,556	\$ 796,068	796,068	\$ -
	Operating transfers out	(840,000)	(840,000)	(840,000)	-
	Total other financing sources (uses)	\$ (142,444)	\$ (43,932)	(43,932)	\$ -
Net income (loss) - Budgetary basis				1,709,911	
Reconciliation to GAAP basis income (loss):					
	To record audit adjustments for revenue, net of prior year revenue reversal			29,937	
	To adjust bond issuance expense			-	
	Outstanding encumbrances recorded as budgetary expenditures and not for GAAP purposes			-	
	Reversal of prior year accruals			-	
	Change in fund balance - GAAP basis			\$ 1,739,848	

The accompanying notes are an integral part of this statement.

STATE OF NEW MEXICO
SANTA FE COUNTY

NON MAJOR CAPITAL PROJECT FUNDS

JUNE 30, 2008

Road Projects. This fund handles the revenue and expense for road projects conducted by the County. Only those road projects with present agreements for funding are included in the fiscal year budget. Established by the County to account for funding from the New Mexico Department of Transportation and other sources for road improvements. The fund was created by the Board of County Commissioners.

State of New Mexico Special Appropriations and Other Projects. This fund handles the revenue and expense for state-granted facility construction projects. The fund contains only those projects which have signed grant agreements. As other project agreements are made during the fiscal year they will be added to the budget.

Community Development Block Grant (CDBG). This fund handles Community Development Block Grants (CDBG) funded by the U.S. Department of Housing and Urban Development (HUD), passed through and administered by the State of New Mexico Department of Finance and Administration and other projects funded by outside donations.

G.O. Bond Proceeds Roads - 1997. The General Obligation Bond Series 1997 was a \$10.5 million bond issue for the purpose of improving roads, the waste water system, and the purchase of emergency and firefighting equipment. The debt on this bond is paid with property taxes through the General Obligation Bond Debt Service Fund (401). This fund was established by the County to account for proceeds from the 1997 bonds in accordance with the bond ordinance and subsequent transfers from other funds.

New Mexico Finance Authority (NMFA) Loan Proceeds. Santa Fe County utilizes low-interest loans from the New Mexico Finance Authority to purchase capital equipment. Payments on equipment loans are made through the Equipment Loan Debt Service Fund (403).

General Obligation Bond Series 2005. In the Fiscal Year 2005, voters approved the issuance of a Public Works bond in the amount of \$20 million to be used for various public works projects including certain road projects within the scope of the bond. This capital project fund contains the proceeds of this bond, and the debt on this bond is paid with property taxes through the General Obligation Bond Debt Service Fund.

Open Space Bond Proceeds. This fund was established by the County to account for the proceeds from the 1999 Open Space Bonds and 2001 Open Space Bonds. Retirement of the debt is financed through property taxes.

Bond Proceeds Facility. This fund contains revenue from the \$6 million Gross Receipts Tax subordinate 1997-A bond, designated for the construction of the new Sheriff and Fire Facility. This facility is essentially complete and the current fiscal year budget expends the remainder of bond proceeds from construction and building fixtures. Debt is retired on this bond in the GRT Building Revenue Debt Service Fund.

Bond Proceeds Fire Tax. This fund contains revenue from the \$2.2 million Fire Protection Bond, designated for construction of Fire facilities and the purchase of firefighting equipment. Debt retirement of this bond is through payments from the 14 cent Fire Excise Tax on Gross Receipts in the Fire Tax Debt Service Fund.

2001 General Obligation Bond Proceeds. The General Obligation Bond Series 2001 was on \$8.5 million bond issue of which \$4.5 million is for the purpose of buying land, construction, remodeling and making additions to County buildings used for public safety purposes and for fire equipment and facilities. \$4.0 million of the bond is for buying land and constructing buildings for public works (road maintenance, solid waste). The debt on this bond is paid through property taxes through the General Obligation Bond Debt Service Fund.

STATE OF NEW MEXICO
SANTA FE COUNTY

Exhibit F-1
Page 1 of 2

Non Major Capital Projects Funds
Combining Balance Sheet

June 30, 2008

ASSETS

	Road Projects	Special Appropriations & other Projects	CDBG	GO Bond Proceeds Roads - 1997	NMFA Loan Proceeds	GO Bond Series 2005
Equity in pooled cash and investments - restricted	\$ 53,611	\$ -	\$ 295	\$ -	\$ 62,435	\$ 4,527,374
Grantor receivables	1,303,078	593,932	4,545	-	-	-
Taxes receivable and special assessments	277,053	-	-	-	-	-
Interest receivable	-	-	-	-	-	14,107
Due from other funds	-	-	-	-	-	-
Total assets	\$ 1,633,742	\$ 593,932	\$ 4,840	\$ -	\$ 62,435	\$ 4,541,481

LIABILITIES AND FUND BALANCE

Liabilities:						
Accounts payable	\$ 9,149	\$ 12,708	\$ -	\$ -	\$ -	\$ 239,790
Due to other funds	-	361,843	-	-	-	-
Total liabilities	9,149	374,551	-	-	-	239,790
Fund Balance:						
Reserved for encumbrances	1,141,687	1,015,488	6,260	-	-	2,689,483
Designated for capital improvements	482,906	-	-	-	62,435	1,612,208
Unreserved fund balance (deficit)	-	(796,107)	(1,420)	-	-	-
Total fund balance (deficit)	1,624,593	219,381	4,840	-	62,435	4,301,691
Total liabilities and fund balance	\$ 1,633,742	\$ 593,932	\$ 4,840	\$ -	\$ 62,435	\$ 4,541,481

(Continued)

**STATE OF NEW MEXICO
SANTA FE COUNTY**

**Non Major Capital Projects Funds
Combining Balance Sheet (Continued)**

June 30, 2008

ASSETS

Equity in pooled cash and investments - restricted					
Grantor receivables	-	-	-	-	-
Taxes receivable and special assessments	-	-	-	-	-
Interest receivable	7,069	-	-	2,921	24,097
Due from other funds	-	-	-	-	-
Total assets	\$ 3,500,367	\$ 542,449	\$ 84,817	\$ 1,259,214	\$ 12,223,277

LIABILITIES AND FUND BALANCE

Liabilities:					
Accounts payable	-	-	-	-	261,647
Due to other funds	-	-	5,719	-	367,562
Total liabilities	-	-	5,719	-	629,209
Fund Balance:					
Reserved for encumbrances	-	621	-	698,683	5,552,222
Designated for capital improvements	3,500,367	541,828	79,098	560,531	6,839,373
Unreserved fund balance (deficit)	-	-	-	-	(797,527)
Total fund balance (deficit)	3,500,367	542,449	79,098	1,259,214	11,594,068
Total liabilities and fund balance	\$ 3,500,367	\$ 542,449	\$ 84,817	\$ 1,259,214	\$ 12,223,277

The accompanying notes are an integral part of this statement.

STATE OF NEW MEXICO
SANTA FE COUNTY

Exhibit F-2
Page 1 of 2

Non Major Capital Projects Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Year Ended June 30, 2008

	Road Projects	Special Appropriations and Other Projects	CDBG	GO Bond Proceeds Road 1997	NMFA Loan Proceeds	GO Bond Series 2005
Revenues:						
Taxes and special assessments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	-	-	-	52	-	407,872
Federal and state grants	894,908	4,372,730	-	-	-	-
Other	-	14	15,000	-	-	-
Total revenues	<u>894,908</u>	<u>4,372,744</u>	<u>15,000</u>	<u>52</u>	<u>-</u>	<u>407,872</u>
Expenditures: Capital Outlay						
General government	-	4,202,420	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Highway and Streets	764,455	-	-	-	-	7,069,481
Total capital outlay expenditures	<u>764,455</u>	<u>4,202,420</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,069,481</u>
Excess (deficiency) of revenues over expenditures	<u>130,453</u>	<u>170,324</u>	<u>15,000</u>	<u>52</u>	<u>-</u>	<u>(6,661,609)</u>
Other financing sources (uses)						
Operating transfers in	434,796	-	-	-	-	-
Operating transfers out	(150,607)	(100,000)	-	(52)	-	-
Total other financing sources (uses)	<u>284,189</u>	<u>(100,000)</u>	<u>-</u>	<u>(52)</u>	<u>-</u>	<u>-</u>
Net change in fund balances	414,642	70,324	15,000	-	-	(6,661,609)
Fund balance (deficit), beginning of year	<u>1,209,951</u>	<u>149,057</u>	<u>(10,160)</u>	<u>-</u>	<u>62,435</u>	<u>10,963,300</u>
Fund balance (deficit), end of year	<u>\$ 1,624,593</u>	<u>\$ 219,381</u>	<u>\$ 4,840</u>	<u>\$ -</u>	<u>\$ 62,435</u>	<u>\$ 4,301,691</u>

The accompanying notes are integral part of this statement

STATE OF NEW MEXICO
SANTA FE COUNTY

Non Major Capital Projects Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Continued)

Year Ended June 30, 2008

	<u>Bond Proceeds</u>	<u>Facility</u>	<u>Bond Proceeds</u>	<u>Fire Tax</u>	<u>Obligations</u>	<u>Bond Proceeds</u>	<u>Totals</u>
Revenues:							
Taxes and special assessments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Interest	152,864	24,436	4,565	98,460	-	-	688,249
Federal and State grants	-	-	-	-	-	-	5,267,638
Other	-	-	-	-	-	-	15,014
Total revenues	<u>152,864</u>	<u>24,436</u>	<u>4,565</u>	<u>98,460</u>	<u>-</u>	<u>-</u>	<u>5,970,901</u>
Expenditures: Capital Outlay							
General government	-	-	-	580,499	-	-	4,782,919
Culture and recreation	220,502	-	-	-	-	-	220,502
Public safety	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Highway and streets	-	-	-	-	-	-	7,833,936
Total capital outlay expenditures	<u>220,502</u>	<u>-</u>	<u>-</u>	<u>580,499</u>	<u>-</u>	<u>-</u>	<u>12,837,357</u>
Excess (deficiency) of revenues over expenditures	<u>(67,638)</u>	<u>24,436</u>	<u>4,565</u>	<u>(482,039)</u>	<u>-</u>	<u>-</u>	<u>(6,866,456)</u>
Other financing sources (uses)							
Operating transfers in	-	-	-	-	-	-	434,796
Operating transfers out	-	-	-	(98,460)	-	-	(349,119)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(98,460)</u>	<u>-</u>	<u>-</u>	<u>85,677</u>
Net change in fund balances	<u>(67,638)</u>	<u>24,436</u>	<u>4,565</u>	<u>(580,499)</u>	<u>-</u>	<u>-</u>	<u>(6,780,779)</u>
Fund balance (deficit), beginning of year	<u>3,568,005</u>	<u>518,013</u>	<u>74,533</u>	<u>1,839,713</u>	<u>-</u>	<u>-</u>	<u>18,374,847</u>
Fund balance (deficit), end of year	<u>\$ 3,500,367</u>	<u>\$ 542,449</u>	<u>\$ 79,098</u>	<u>\$ 1,259,214</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,594,068</u>

The accompanying notes are an integral part of this statement.

STATE OF NEW MEXICO
SANTA FE COUNTY

**Non Major Capital Projects Funds
Combining Statement of Revenues and Expenditures
Budget to Actual (Non-GAAP Basis)**

Year Ended June 30, 2008

		Road Projects			
		Original Budget	Final Budget	Actual	Variance- Favorable (Unfavorable)
Revenues:					
	Taxes and special assessments	\$ -	\$ -	\$ 19,295	\$ 19,295
	Interest earnings	-	-	56,975	56,975
	Federal and state grants	-	4,307,615	400,429	(3,907,186)
	Other	-	-	-	-
	Total revenues	-	4,307,615	\$ 476,699	\$ (3,830,916)
	Cash balance carryforward	-	190,161		
	Total	\$ -	\$ 4,497,776		
Expenditures:					
	General government	\$ -	\$ -	\$ -	\$ -
	Culture and recreation	-	-	-	-
	Public safety	-	-	-	-
	Health and welfare	-	-	-	-
	Highway and streets	-	4,781,965	1,906,142	2,875,823
	Total expenditures	\$ -	\$ 4,781,965	\$ 1,906,142	\$ 2,875,823
Other financing sources (uses):					
	Bond proceeds	\$ -	\$ -	\$ -	\$ -
	Operating transfers in	-	434,796	434,796	-
	Operating transfers out	-	(150,607)	(150,607)	-
	Total other financing sources (uses)	\$ -	\$ 284,189	\$ 284,189	\$ -
Net income (loss) - Budgetary basis				\$ (1,145,254)	
Reconciliation to GAAP basis income (loss):					
	To record audit adjustments for revenue, net of prior year revenue reversal			418,209	
	To record audit adjustment for bad debt expense			-	
	Outstanding encumbrances recorded as budgetary expenditures and not for GAAP purposes			1,141,687	
	Reversal of prior year accruals			-	
	Change in fund balance - GAAP basis			\$ 414,642	

STATE OF NEW MEXICO
SANTA FE COUNTY

Non Major Capital Projects Funds
Combining Statement of Revenues and Expenditures
Budget to Actual (Non-GAAP Basis)

Year Ended June 30, 2008

	<u>Special Appropriations and Other Projects</u>			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance- Favorable (Unfavorable)
Revenues:				
Taxes and special assessments	\$ -	\$ -	\$ -	\$ -
Interest earnings	-	-	-	-
Federal and state grants	-	16,611,904	5,590,544	(11,021,360)
Other	-	-	14	14
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenues	-	16,611,904	5,590,558	\$ (11,021,346)
	<hr/>	<hr/>	<hr/>	<hr/>
Total	\$ -	\$ 17,415,463		
	<hr/>	<hr/>		
Expenditures:				
General government	\$ -	\$ 17,315,463	5,483,148	\$ 11,832,315
Culture and recreation	-	-	-	-
Public safety	-	-	-	-
Health and welfare	-	-	-	-
Highway and streets	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures	\$ -	\$ 17,315,463	5,483,148	\$ 11,832,315
	<hr/>	<hr/>	<hr/>	<hr/>
Other financing sources (uses):				
Bond proceeds	\$ -	\$ -	-	\$ -
Operating transfers in	-	-	-	-
Operating transfers out	-	(100,000)	(100,000)	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	\$ -	\$ (100,000)	(100,000)	\$ -
	<hr/>	<hr/>	<hr/>	<hr/>
Net income (loss) - Budgetary basis			7,410	
Reconciliation to GAAP basis income (loss):				
To record audit adjustments for revenue, net of prior year revenue reversal			(1,217,814)	
To record audit adjustment for bad debt expense			-	
Outstanding encumbrances recorded as budgetary expenditures and not for GAAP purposes			1,015,488	
Reversal of prior year accruals			265,240	
			<hr/>	
Change in fund balance - GAAP basis			\$ 70,324	
			<hr/>	

STATE OF NEW MEXICO
SANTA FE COUNTY

Non Major Capital Projects Funds
Combining Statement of Revenues and Expenditures
Budget to Actual (Non-GAAP Basis)

Year Ended June 30, 2008

		Community Development Block Grant			
		Original Budget	Final Budget	Actual	Variance- Favorable (Unfavorable)
Revenues:					
	Taxes and special assessments	\$ -	\$ -	\$ -	\$ -
	Interest earnings	-	-	-	-
	Federal and state grants	-	50,000	-	(50,000)
	Other	-	-	15,000	15,000
	Total revenues	-	50,000	15,000	\$ (35,000)
Cash balance carryforward		-	-		
	Total	\$ -	\$ 50,000		
Expenditures:					
	General government	\$ -	\$ 50,000	6,260	\$ 43,740
	Culture and recreation	-	-	-	-
	Public safety	-	-	-	-
	Health and welfare	-	-	-	-
	Highway and streets	-	-	-	-
	Total expenditures	\$ -	\$ 50,000	6,260	\$ 43,740
Other financing sources (uses):					
	Bond proceeds	\$ -	\$ -	-	\$ -
	Operating transfers in	-	-	-	-
	Operating transfers out	-	-	-	-
	Total other financing sources (uses)	\$ -	\$ -	-	\$ -
Net income (loss) - Budgetary basis				8,740	
Reconciliation to GAAP basis income (loss):					
	To record audit adjustments for revenue, net of prior year revenue reversal			-	
	To record audit adjustment for bad debt expense			-	
	Outstanding encumbrances recorded as budgetary expenditures and not for GAAP purposes			6,260	
	Reversal of prior year accruals			-	
	Change in fund balance - GAAP basis			\$ 15,000	

STATE OF NEW MEXICO
SANTA FE COUNTY

Non Major Capital Projects Funds
Combining Statement of Revenues and Expenditures
Budget to Actual (Non-GAAP Basis)

Year Ended June 30, 2008

		GO Bond Proceeds Roads - 1997			
		Original Budget	Final Budget	Actual	Variance- Favorable (Unfavorable)
Revenues:					
	Taxes and special assessments	\$ -	\$ -	\$ -	\$ -
	Interest earnings	-	52	52	-
	Federal and state grants	-	-	-	-
	Other	-	-	-	-
	Total revenues	-	52	52	\$ -
	Cash balance carryforward	-	-		
	Total	\$ -	\$ 52		
Expenditures:					
	General government	\$ -	\$ -	-	\$ -
	Culture and recreation	-	-	-	-
	Public safety	-	-	-	-
	Health and welfare	-	-	-	-
	Highway and streets	-	-	-	-
	Total expenditures	\$ -	\$ -	-	\$ -
Other financing sources (uses):					
	Bond proceeds	\$ -	\$ -	-	\$ -
	Operating transfers in	-	-	-	-
	Operating transfers out	-	(52)	(52)	-
	Total other financing sources (uses)	\$ -	\$ (52)	(52)	\$ -
	Net income (loss) - Budgetary basis			-	
Reconciliation to GAAP basis income (loss):					
	To record audit adjustments for revenue, net of prior year revenue reversal			-	
	To record audit adjustment for bad debt expense			-	
	Outstanding encumbrances recorded as budgetary expenditures and not for GAAP purposes			-	
	Reversal of prior year accruals			-	
	Change in fund balance - GAAP basis			\$ -	

STATE OF NEW MEXICO
SANTA FE COUNTY

Non Major Capital Projects Funds
Combining Statement of Revenues and Expenditures
Budget to Actual (Non-GAAP Basis)

Year Ended June 30, 2008

		GO Bond Series 2005			Variance-
		Original	Final	Actual	Favorable
		Budget	Budget	Actual	(Unfavorable)
Revenues:					
	Taxes and special assessments	\$ -	\$ -	\$ -	\$ -
	Interest earnings	-	-	407,872	407,872
	Federal and state grants	-	-	-	-
	Other	-	-	-	-
	Total revenues	-	-	407,872	\$ 407,872
	Cash balance carryforward	3,039,323	10,882,616		
	Total	\$ 3,039,323	\$ 10,882,616		
Expenditures:					
	General government	\$ -	\$ -	-	\$ -
	Culture and recreation	-	-	-	-
	Public safety	-	-	-	-
	Health and welfare	-	-	-	-
	Highways and streets	3,039,323	10,882,616	10,340,025	542,591
	Total expenditures	\$ 3,039,323	\$ 10,882,616	10,340,025	\$ 542,591
Other financing sources (uses):					
	Bond proceeds	\$ -	\$ -	-	\$ -
	Operating transfers in	-	-	-	-
	Operating transfers out	-	-	-	-
	Total other financing sources (uses)	\$ -	\$ -	-	\$ -
	Net income (loss) - Budgetary basis			(9,932,153)	
Reconciliation to GAAP basis income (loss):					
	To record audit adjustments for revenue, net of prior year revenue reversal			-	
	To record audit adjustment for bad debt expense			-	
	Outstanding encumbrances recorded as budgetary expenditures and not for GAAP purposes			2,689,483	
	Reversal of prior year accruals			581,061	
	Change in net assets - GAAP basis			\$ (6,661,609)	

STATE OF NEW MEXICO
SANTA FE COUNTY

Non Major Capital Projects Funds
Combining Statement of Revenues and Expenditures
Budget to Actual (Non-GAAP Basis)

Year Ended June 30, 2008

		Open Space Bonds Proceeds			
		Original Budget	Final Budget	Actual	Variance- Favorable (Unfavorable)
Revenues:					
	Taxes and special assessments	\$ -	\$ -	\$ -	\$ -
	Interest earnings	-	-	152,864	152,864
	Federal and state grants	-	-	-	-
	Other	-	-	-	-
	Total revenues	-	-	152,864	\$ 152,864
	Cash balance carryforward	3,272,979	3,282,323		
	Total	\$ 3,272,979	\$ 3,282,323		
Expenditures:					
	General government	\$ -	\$ -	-	\$ -
	Culture and recreation	3,272,979	3,282,323	220,502	3,061,821
	Public safety	-	-	-	-
	Health and welfare	-	-	-	-
	Highway and streets	-	-	-	-
	Total expenditures	\$ 3,272,979	\$ 3,282,323	220,502	\$ 3,061,821
Other financing sources (uses):					
	Bond proceeds	\$ -	\$ -	-	\$ -
	Operating transfers in	-	-	-	-
	Operating transfers out	-	-	-	-
	Total other financing sources (uses)	\$ -	\$ -	-	\$ -
	Net income (loss) - Budgetary basis			(67,638)	
Reconciliation to GAAP basis income (loss):					
	To record audit adjustments for revenue, net of prior year revenue reversal			-	
	To record audit adjustment for bad debt expense			-	
	Outstanding encumbrances recorded as budgetary expenditures and not for GAAP purposes			-	
	Reversal of prior year accruals			-	
	Change in fund balance - GAAP basis			\$ (67,638)	

STATE OF NEW MEXICO
SANTA FE COUNTY

Exhibit F-3
page 7 of 9

Non Major Capital Projects Funds
Combining Statement of Revenues and Expenditures
Budget to Actual (Non-GAAP Basis)

Year Ended June 30, 2008

	Bond Proceeds Facility			Variance- Favorable (Unfavorable)
	Original Budget	Final Budget	Actual	
Revenues:				
Taxes and special assessments	\$ -	\$ -	\$ -	\$ -
Interest earnings	-	-	24,436	24,436
Federal and state grants	-	-	-	-
Other	-	-	-	-
	<hr/>			
Total revenues	-	-	24,436	\$ 24,436
Cash balance carryforward	293,343	309,632		
	<hr/>			
Total	\$ 293,343	\$ 309,632		
Expenditures:				
General government	\$ 293,343	\$ 309,632	621	\$ 309,011
Culture and recreation	-	-	-	-
Public safety	-	-	-	-
Health and welfare	-	-	-	-
Highway and streets	-	-	-	-
	<hr/>			
Total expenditures	\$ 293,343	\$ 309,632	621	\$ 309,011
Other financing sources (uses):				
Bond proceeds	\$ -	\$ -	-	\$ -
Operating transfers in	-	-	-	-
Operating transfers out	-	-	-	-
	<hr/>			
Total other financing sources (uses)	\$ -	\$ -	-	\$ -
Net income (loss) - Budgetary basis				
			23,815	
Reconciliation to GAAP basis income (loss):				
To record audit adjustments for revenue, net of prior year revenue reversal			-	
To record audit adjustment for bad debt expense			-	
Outstanding encumbrances recorded as budgetary expenditures and not for GAAP purposes			621	
Reversal of prior year accruals			-	
			<hr/>	
Change in fund balance - GAAP basis			\$ 24,436	

Non Major Capital Projects Funds
Combining Statement of Revenues and Expenditures
Budget to Actual (Non-GAAP Basis)

Year Ended June 30, 2008

		2001 General Obligation Bond Proceeds			
		Original Budget	Final Budget	Actual	Variance- Favorable (Unfavorable)
Revenues:					
	Taxes and special assessments	\$ -	\$ -	\$ -	\$ -
	Interest earnings	-	98,460	98,460	-
	Federal and State grants	-	-	-	-
	Other	-	-	-	-
	Total revenues	-	98,460	98,460	\$ -
	Cash balance carryforward	1,427,251	1,969,683		
	Total	<u>\$ 1,427,251</u>	<u>\$ 2,068,143</u>		
Expenditures:					
	General government	\$ 1,427,251	\$ 1,969,683	1,311,471	\$ 658,212
	Culture and recreation	-	-	-	-
	Public safety	-	-	-	-
	Health and welfare	-	-	-	-
	Highway and streets	-	-	-	-
	Total expenditures	<u>\$ 1,427,251</u>	<u>\$ 1,969,683</u>	1,311,471	<u>\$ 658,212</u>
Other financing sources (uses):					
	Bond proceeds	\$ -	\$ -	-	\$ -
	Operating transfers in	-	-	-	-
	Operating transfers out	-	(98,460)	(98,460)	-
	Total other financing sources (uses)	<u>\$ -</u>	<u>\$ (98,460)</u>	(98,460)	<u>\$ -</u>
	Net income (loss) - Budgetary basis			(1,311,471)	
Reconciliation to GAAP basis income (loss):					
	To record audit adjustments for revenue, net of prior year revenue reversal			-	
	To record audit adjustment for bad debt expense			-	
	Outstanding encumbrances recorded as budgetary expenditures and not for GAAP purposes			698,683	
	Reversal of prior year accruals			32,289	
	Change in fund balance - GAAP basis			<u>\$ (580,499)</u>	

STATE OF NEW MEXICO
SANTA FE COUNTY

Non Major Capital Projects Funds
Combining Statement of Revenues and Expenditures
Budget and Actual (Non-GAAP Budgetary Basis)

Year Ended June 30, 2008

	Totals (Memorandum Only)			
	Original Budget	Final Budget	Actual	Variance- Favorable (Unfavorable)
Revenues:				
Taxes and special assessments	\$ -	\$ -	\$ 19,295	\$ 19,295
Interest earnings	-	98,512	740,659	642,147
Federal and state grants	-	20,969,519	5,990,973	(14,978,546)
Other	-	-	15,014	15,014
Total revenues	-	21,068,031	6,765,941	<u>\$(14,302,090)</u>
Cash balance carryforward	8,032,896	17,437,974		
Total	<u>\$ 8,032,896</u>	<u>\$ 38,506,005</u>		
Expenditures:				
General government	\$ 1,720,594	\$ 19,644,778	6,801,500	\$ 12,843,278
Culture and recreation	3,272,979	3,282,323	220,502	3,061,821
Public safety	-	-	-	-
Health and welfare	-	-	-	-
Highway and street	3,039,323	15,664,581	12,246,167	3,418,414
Total expenditures	<u>\$ 8,032,896</u>	<u>\$ 38,591,682</u>	19,268,169	<u>\$ 19,323,513</u>
Other financing sources (uses)				
Bond proceeds	\$ -	\$ -	-	\$ -
Operating transfers in	-	434,796	434,796	-
Operating transfers out	-	(349,119)	(349,119)	-
Total other financing sources (uses)	<u>\$ -</u>	<u>\$ 85,677</u>	85,677	<u>\$ -</u>
Net income (loss) - Budgetary basis			(12,416,551)	
Reconciliation to GAAP basis income (loss):				
To record audit adjustments for revenue, net of prior year revenue reversal			(799,605)	
To record audit adjustment for bad debt expense			-	
Outstanding encumbrances recorded as budgetary expenditures and not for GAAP purposes			5,552,222	
Reversal of prior year accruals			878,590	
Change in fund balance - GAAP basis			<u>\$ (6,785,344)</u>	

The accompanying notes are an integral part of this statement.

STATE OF NEW MEXICO
SANTA FE COUNTY

AGENCY FUNDS

JUNE 30, 2008

Agency Funds - The County established these agency funds to account for assets held for others.

County Treasurer

To account for collections and payment to the County and other recipient entities of property taxes, interest and penalties billed and collected by the County on their behalf.

Sheriffs Bond Fund

To account for bond monies held by the County until legal disposition of the appropriate case.

Writ Fund

To account for court judgments issued to the sheriff's department to collect monies or remove property in satisfaction of said judgments.

Confiscated Property

To account for assets confiscated during arrests pursuant to Section 30-31-1-1, NMSA, 1978 Compilation. Property is held until disposed of pursuant to court order.

Adult Inmate Trust

To account for adult inmate monies held by the County until legal disposition of the appropriate case.

Juvenile Inmate Trust

To account for juvenile inmate monies held by the County until legal disposition of the appropriate case.

STATE OF NEW MEXICO
SANTA FE COUNTY

Agency Funds
Combining Balance Sheet

June 30, 2008

	County Treasurer	Sheriff's Bond Fund	Writ Fund	Confiscated Property	Adult Inmate Trust	Juvenile Inmate Trust	Totals
ASSETS							
Equity in pooled cash and investments - restricted	\$ 1,631,076	\$ 389,142	\$ 5,632	\$ 45,089	\$ 289,587	\$ 15,889	\$ 2,376,415
Taxes receivable	7,200,911	-	-	-	-	-	7,200,911
Total assets	<u>\$ 8,831,987</u>	<u>\$ 389,142</u>	<u>\$ 5,632</u>	<u>\$ 45,089</u>	<u>\$ 289,587</u>	<u>\$ 15,889</u>	<u>\$ 9,577,326</u>
LIABILITIES							
Due to other governments	\$ 7,200,911	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,200,911
Taxes paid in advance	1,114,160	-	-	-	-	-	1,114,160
Deposits held for others	-	389,142	5,632	45,089	289,587	15,889	745,339
Undistributed taxes to other governments	516,916	-	-	-	-	-	516,916
Total liabilities	<u>\$ 8,831,987</u>	<u>\$ 389,142</u>	<u>\$ 5,632</u>	<u>\$ 45,089</u>	<u>\$ 289,587</u>	<u>\$ 15,889</u>	<u>\$ 9,577,326</u>

STATE OF NEW MEXICO
SANTA FE COUNTY

Exhibit G-2
Page 1 of 2

Agency Funds
Combining Statement of Changes in Assets and Liabilities

Year Ended June 30, 2008

	June 30, 2007	Additions	Deletions	June 30, 2008
COUNTY TREASURER				
Assets:				
Equity in pooled cash and investments - restricted	\$ 2,011,616	\$ 119,079,620	\$ (119,460,160)	\$ 1,631,076
Property taxes receivable	5,690,583	120,589,948	(119,079,620)	7,200,911
Total assets	\$ 7,702,199	\$ 239,669,568	\$ (238,539,780)	\$ 8,831,987
Liabilities:				
Due to other governments	\$ 5,690,583	\$ 120,589,948	\$ (119,079,620)	\$ 7,200,911
Overpayments and taxes paid in advance	1,458,542	553,074	(897,456)	1,114,160
Due to other funds	-	45,347,367	(45,347,367)	-
Undistributed taxes to other governments	553,074	73,179,179	(73,215,337)	516,916
Total liabilities	\$ 7,702,199	\$ 239,669,568	\$ (238,539,780)	\$ 8,831,987
 SHERIFF'S BOND FUND				
Assets - Equity in pooled cash and investments - restricted	\$ 359,980	\$ 1,212,632	\$ (1,183,470)	\$ 389,142
Liabilities - Deposits held for others	\$ 359,980	\$ 1,212,632	\$ (1,183,470)	\$ 389,142
 WRIT FUND				
Assets - Equity in pooled cash and investments - restricted	\$ 5,619	\$ 78,094	\$ (78,081)	\$ 5,632
Liabilities - Deposits held for others	\$ 5,619	\$ 78,094	\$ (78,081)	\$ 5,632

STATE OF NEW MEXICO
SANTA FE COUNTY

Exhibit G-2
Page 2 of 2

Agency Funds
Combining Statement of Changes in Assets and Liabilities (Continued)

Year Ended June 30, 2008

	June 30, 2007	Additions	Deletions	June 30, 2008
CONFISCATED PROPERTY				
Assets - Equity in pooled cash and investments - restricted	\$ 43,958	\$ 1,131	\$ -	\$ 45,089
Liabilities - Deposits held for others	\$ 43,958	\$ 1,131	\$ -	\$ 45,089
ADULT INMATE TRUST				
Assets - Equity in pooled cash and investments - restricted	\$ 209,633	\$ 816,211	\$ (736,257)	\$ 289,587
Liabilities - Deposits held for others	\$ 209,633	\$ 816,211	\$ (736,257)	\$ 289,587
JUVENILE INMATE TRUST				
Assets - Equity in pooled cash and investments - restricted	\$ 6,131	\$ 36,371	\$ (26,613)	\$ 15,889
Liabilities - Deposits held for others	\$ 6,131	\$ 36,371	\$ (26,613)	\$ 15,889
TOTALS ALL AGENCY FUNDS				
Assets:				
Equity in pooled cash and investments - restricted	\$ 2,636,937	\$ 121,224,059	\$ (121,484,581)	\$ 2,376,415
Property taxes receivable	5,690,583	120,589,948	(119,079,620)	7,200,911
Total assets	\$ 8,327,520	\$ 241,814,007	\$ (240,564,201)	\$ 9,577,326
Liabilities:				
Due to other governments	\$ 5,690,583	\$ 120,589,948	\$ (119,079,620)	\$ 7,200,911
Overpayments and taxes paid in advance	1,458,542	553,074	(897,456)	1,114,160
Deposits held for others	625,321	2,144,439	(2,024,421)	745,339
Due to other funds	-	45,347,367	(45,347,367)	-
Undistributed taxes to other governments	553,074	73,179,179	(73,215,337)	516,916
Total liabilities	\$ 8,327,520	\$ 241,814,007	\$ (240,564,201)	\$ 9,577,326

The accompanying notes are an integral part of this financial statement.

**STATE OF NEW MEXICO
SANTA FE COUNTY**

Exhibit H-1

Schedule of Reconciliation of Tax Receipts, Disbursements and Property Tax Receivable

Year Ended June 30, 2008

Property taxes receivable, July 1, 2007	\$	9,514,281
Net taxes charged to Treasurer		122,121,060
Net adjustments and other		(338,831)
Collections		<u>(119,079,620)</u>
 Property taxes receivable, June 30, 2008	 \$	 <u><u>12,216,890</u></u>
 Property taxes receivable as of June 30, 2008, Property taxes receivable by year:		
1998	\$	69,781
1999		90,443
2000		123,400
2001		136,861
2002		177,286
2003		303,524
2004		429,864
2005		788,567
2006		2,000,455
2007		<u>8,096,709</u>
Total taxes receivable, net	\$	<u><u>12,216,890</u></u>
 Distribution of collected property taxes:		
Santa Fe County	\$	45,347,367
State of New Mexico		7,242,960
Edgewood Soil and Water		124,171
City of Santa Fe		4,004,820
City of Española		132,542
Santa Fe Community College		18,222,384
School Districts		42,719,231
El Dorado Water & Sanitation		944,386
Livestock		11,487
Rancho Viejo Improvement District		<u>330,272</u>
Total tax distribution	\$	<u><u>119,079,620</u></u>
 Property taxes receivable distribution:		
Santa Fe County	\$	5,011,255
State of New Mexico		718,878
Edgewood Soil & Water		21,178
City of Santa Fe		351,711
City of Española		21,179
Santa Fe Community College		1,757,190
School Districts		4,287,497
El Dorado Water & Sanitation		33,160
Livestock		10,118
Rancho Viejo Improvement District - Component unit of the County		<u>4,724</u>
Total	\$	<u><u>12,216,890</u></u>

STATE OF NEW MEXICO
SANTA FE COUNTY TREASURER'S
PROPERTY TAX SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2008

Exhibit H-2
Page 1 of 2

Agency	Property Taxes Levied	Collected in Current Year	Collected To-Date	Distributed in Current Year	Distributed To-Date	Current Amount Uncollectible	To-Date Amount Uncollectible	Undistributed at Year End	County Receivable at Year End
Santa Fe County:									
County Operational									
1998-2006	\$ 206,632,087	\$ 1,704,582	\$ 205,253,417	\$ 1,663,622	\$ 205,212,456	\$ -	\$ -	\$ 40,960	\$ 1,378,671
2007	35,294,730	32,662,072	32,662,072	32,459,534	32,459,535	-	-	202,538	2,632,657
Total County Operational	241,926,817	34,366,654	237,915,489	34,123,156	237,671,991	-	-	243,498	4,011,328
County Debt Service									
1998-2006	39,021,153	432,410	38,733,522	421,736	38,722,847	-	-	10,675	287,631
2007	11,260,599	10,548,303	10,548,303	10,481,255	10,481,255	-	-	67,048	712,296
Total County Debt Service	50,281,752	10,980,713	49,281,825	10,902,991	49,204,102	-	-	77,723	999,927
Total Santa Fe County	292,208,569	45,347,367	287,197,314	45,026,147	286,876,093	-	-	321,221	5,011,255
State of New Mexico:									
State Debt									
1998-2006	48,706,909	344,462	48,453,867	336,316	48,445,720	-	-	8,147	253,042
2007	7,364,334	6,898,498	6,898,498	6,854,649	6,854,649	-	-	43,849	465,836
Total State Debt	56,071,243	7,242,960	55,352,365	7,190,965	55,300,369	-	-	51,996	718,878
Live Stock Board									
1998-2006	128,555	191	122,410	191	122,410	-	-	-	6,145
2007	15,269	11,296	11,296	11,277	11,277	-	-	19	3,973
Total Live Stock Board	143,824	11,487	133,706	11,468	133,687	-	-	19	10,118
Total State of New Mexico	56,215,067	7,254,447	55,486,071	7,202,433	55,434,056	-	-	52,015	728,996
Municipalities:									
City of Santa Fe									
1998-2006	15,334,412	148,254	15,231,698	145,325	15,228,769	-	-	2,929	102,714
2007	4,105,563	3,856,566	3,856,566	3,836,429	3,836,429	-	-	20,137	248,997
Total City of Santa Fe	19,439,975	4,004,820	19,088,264	3,981,754	19,065,198	-	-	23,066	351,711
City of Espanola									
1998-2006	883,091	11,019	873,593	10,905	873,480	-	-	112	9,499
2007	133,204	121,523	121,523	119,658	119,658	-	-	1,866	11,680
Total of City of Espanola	1,016,295	132,542	995,116	130,563	993,138	-	-	1,978	21,179
Total Municipalities	20,456,270	4,137,362	20,083,380	4,112,317	20,058,336	-	-	25,044	372,890
School Districts:									
Santa Fe Public Schools									
1998-2006	236,997,990	1,746,153	235,817,191	1,704,384	235,775,422	-	-	41,769	1,180,799
2007	39,159,601	36,757,107	36,757,107	36,528,029	36,528,029	-	-	229,078	2,402,494
Total Santa Fe Public School	276,157,591	38,503,260	272,574,298	38,232,413	272,303,451	-	-	270,847	3,583,293
Espanola Schools									
1998-2006	5,934,115	62,758	5,847,202	61,080	5,845,525	-	-	1,678	86,912
2007	556,605	484,301	484,301	477,800	477,800	-	-	6,500	72,305
Total Espanola Schools	6,490,720	547,059	6,331,503	538,880	6,323,325	-	-	8,178	159,217
Pojoaque Schools									
1998-2006	11,763,403	87,594	11,657,120	85,721	11,655,247	-	-	1,873	106,283
2007	1,919,658	1,759,413	1,759,413	1,747,862	1,747,862	-	-	11,551	160,245
Total Pojoaque Schools	13,683,061	1,847,007	13,416,533	1,833,583	13,403,109	-	-	13,424	266,528
Moriarty Schools									
1998-2006	12,666,870	104,074	12,535,391	101,685	12,533,003	-	-	2,389	131,478
2007	1,864,812	1,717,831	1,717,831	1,707,555	1,707,555	-	-	10,276	146,981
Total Moriarty Schools	14,531,682	1,821,905	14,253,222	1,809,240	14,240,558	-	-	12,665	278,459

STATE OF NEW MEXICO
SANTA FE COUNTY TREASURER'S
PROPERTY TAX SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2008

Exhibit H-2
Page 2 of 2

Agency	Property Taxes Levied	Collected in Current Year	Collected To-Date	Distributed in Current Year	Distributed To-Date	Current Amount Uncollectible	To-Date Amount Uncollectible	Undistributed at Year End	County Receivable at Year End
Schools Districts (Cont.):									
Santa Fe Community College									
1998-2006	108,749,413	754,922	108,188,558	735,950	108,169,585	-	-	18,973	560,855
2007	18,663,797	17,467,462	17,467,462	17,359,483	17,359,483	-	-	107,979	1,196,335
Total Santa Fe Community College	127,413,210	18,222,384	125,656,020	18,095,433	125,529,068	-	-	126,952	1,757,190
Total School District	438,276,264	60,941,615	432,231,576	60,509,549	431,799,511	-	-	432,066	6,044,687
Special Districts:									
Edgewood Soil & Water Conservation									
1998-2006	1,045,016	8,068	1,034,666	7,877	1,034,475	-	-	191	10,350
2007	126,931	116,103	116,103	115,354	115,354	-	-	749	10,828
Total Edgewood Soil & Water Conservation	1,171,947	124,171	1,150,769	123,231	1,149,829	-	-	940	21,178
Eldorado Water & Sanitation									
1998-2006	3,338,055	21,959	3,333,080	21,783	3,332,904	-	-	176	4,975
2007	950,612	922,427	922,427	917,435	917,435	-	-	4,992	28,185
Total Eldorado Water & Sanitation	4,288,667	944,386	4,255,507	939,218	4,250,339	-	-	5,168	33,160
Rancho Viejo									
1998-2006	1,481,562	6,477	1,480,733	6,477	1,480,733	-	-	-	829
2007	327,690	323,795	323,795	322,111	322,111	-	-	1,684	3,895
Total Rancho Viejo	1,809,252	330,272	1,804,528	328,588	1,802,844	-	-	1,684	4,724
Total Special Districts	7,269,866	1,398,829	7,210,804	1,391,037	7,203,012	-	-	7,792	59,062
Grand Total	<u>\$ 814,426,036</u>	<u>\$ 119,079,620</u>	<u>\$ 802,209,145</u>	<u>\$ 118,241,483</u>	<u>\$ 801,371,008</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 838,138</u>	<u>\$ 12,216,890</u>

Schedule of Bank Accounts

June 30, 2008

	Total Deposits <u>with Bank</u>	Reconciling <u>Items</u>	Reconciled <u>Balance</u>
Advanta Bank - Certificate of deposit	\$ 99,000	\$ -	\$ 99,000
Amcore Bank - Certificate of deposit	\$ 97,000	\$ -	\$ 97,000
Bank United - Certificate of deposit	\$ 97,000	\$ -	\$ 97,000
Choice Financial - Certificate of deposit	\$ 97,000	\$ -	\$ 97,000
Colonial Bank - Certificate of deposit	\$ 97,000	\$ -	\$ 97,000
Countrywide Bank - Certificate of deposit	\$ 100,000	\$ -	\$ 100,000
Delta TR & Bank - Certificate of deposit	\$ 100,000	\$ -	\$ 100,000
Discover Bank - Certificate of deposit	\$ 97,000	\$ -	\$ 97,000
E-Trade Bank - Certificate of deposit	\$ 97,000	\$ -	\$ 97,000
Firstbank - Certificate of deposit	\$ 100,000	\$ -	\$ 100,000
Franklin Bank - Certificate of deposit	\$ 97,000	\$ -	\$ 97,000
Guadalupe Credit Union - Certificate of deposit	\$ 100,000	\$ -	\$ 100,000
Hillcrest Bank - Certificate of deposit	\$ 97,000	\$ -	\$ 97,000
Investors Community Bank - Certificate of deposit	\$ 100,000	\$ -	\$ 100,000
M & I Bank FSB - Certificate of deposit	\$ 100,000	\$ -	\$ 100,000
M & I Bank Marshall & Ilsley - Certificate of deposit	\$ 100,000	\$ -	\$ 100,000
MarqBank - Certificate of deposit	\$ 99,000	\$ -	\$ 99,000
Mercantile Bank - Certificate of deposit	\$ 100,000	\$ -	\$ 100,000
Merrick Bank - Certificate of deposit	\$ 97,000	\$ -	\$ 97,000
Lone Star National Bank - Certificate of deposit	\$ 97,000	\$ -	\$ 97,000

STATE OF NEW MEXICO
SANTA FE COUNTY

Exhibit I-1
2 of 2

Schedule of Bank Accounts

June 30, 2008

	Total Deposits with Bank	Reconciling Items	Reconciled Balance
Los Alamos National Bank - Certificate of deposit	\$ 20,100,000	\$ -	\$ 20,100,000
Nature Coast Bank - Certificate of deposit	\$ 97,000	\$ -	\$ 97,000
OMNI National Bank - Certificate of deposit	\$ 99,000	\$ -	\$ 99,000
Paragon commercial Bank - Certificate of deposit	\$ 97,000	\$ -	\$ 97,000
Riverside Gulf Coast Bank - Certificate of deposit	\$ 97,000	\$ -	\$ 97,000
Riverside NB Bank - Certificate of deposit	\$ 97,000	\$ -	\$ 97,000
Signature Bank - Certificate of deposit	\$ 100,000	\$ -	\$ 100,000
Southern Community Bank - Certificate of deposit	\$ 100,000	\$ -	\$ 100,000
State Employees Credit Union - Certificate of deposit	\$ 100,000	\$ -	\$ 100,000
Vanguard Bank & Trust - Certificate of deposit	\$ 97,000	\$ -	\$ 97,000
Wachovia Bank - Certificate of deposit	\$ 97,000	\$ -	\$ 97,000
Washington Mutual Bank - Certificate of deposit	\$ 97,000	\$ -	\$ 97,000
Wells Fargo Bank - Certificate of deposit	\$ 100,000	\$ -	\$ 100,000
Century Bank			
Money market escrow account	\$ 87,189	\$ -	\$ 87,189
First National Bank:			
Escrow account	\$ 23,615	\$ -	\$ 23,615
First Community Bank:			
Escrow account	\$ 93,754	\$ -	\$ 93,754
Money market	101,116	(3,921,075)	(3,819,959)
Certificates of deposit	15,000,000	-	15,000,000
GOB series 1997	52	-	52
Writ Fund	7,726	(2,094)	5,632
Bail Bond accounts	448,680	(59,538)	389,142
Forfeiture account	45,089	-	45,089
Inmate Trust	282,173	7,193	289,366
Juvenile Trust	15,889	-	15,889
	<u>\$ 15,994,479</u>	<u>\$ (3,975,514)</u>	<u>\$ 12,018,965</u>

Schedule of Pledged Collateral

June 30, 2008

	First National Bank	First Community Bank	Los Alamos National Bank	Advanta Union	Amcore Bank	Bank United	Century Bank	Choice Financial Bank	Colonial Bank	County-Wide Bank
Total amount of deposits (bank balances)	\$ 23,615	\$ 15,994,479	\$ 20,100,000	\$ 99,000	\$ 97,000	\$ 97,000	\$ 87,189	\$ 97,000	\$ 97,000	\$ 100,000
Less FDIC or NCUSIF coverage	23,615	100,000	100,000	99,000	97,000	97,000	87,189	97,000	97,000	100,000
Total uninsured public funds	N/A	15,894,479	20,000,000	N/A	N/A	N/A	N/A	N/A	N/A	N/A
50% collateral requirement	N/A	7,947,240	10,000,000	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Pledged securities (1), (2), (3), (4), (5), (6)	-	17,580,853	20,500,000	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Under secured	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Pledged securities in the County's name held by the Federal Reserve	-	15,300,000	20,500,000	-	-	-	-	-	-	-
Other Letter of Credit	-	127,673	-	-	-	-	-	-	-	-
(1) FHLMC, 5.0%, matures October 1, 2012 CUSIP 31283KPC6	-	106,025	-	-	-	-	-	-	-	-
(2) FHLMC, 4.00%, matures August 15, 2014 CUSIP 31395F6H2	-	81,765	-	-	-	-	-	-	-	-
(3) GNMA, 5.63% matures February 20, 2016 CUSIP 36202KAC9	-	532,659	-	-	-	-	-	-	-	-
(4) FHR, 4.00%, matures October 15, 2018 CUSIP 31394L7G1	-	856,187	-	-	-	-	-	-	-	-
(5) FNMA, 5.00%, matures January 1, 2019 CUSIP 31371LJW0	-	576,544	-	-	-	-	-	-	-	-
(6) FHR, 4.50%, matures July 15, 2023 CUSIP 31394YP24	-	-	-	-	-	-	-	-	-	-
	\$ -	\$ 17,580,853	\$ 20,500,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Schedule of Pledged Collateral (Continued)

June 30, 2008

	Delta TR & Bank	Discover Bank	E-Trade Bank	First Bank	Franklin Bank	Guadalupe Credit Union	Hillcrest Bank	Investors Community Bank	M & I FSB Bank	M & I Marshall & Isley Bank
Total amount of deposits (bank balances)	\$ 100,000	\$ 97,000	\$ 97,000	\$ 100,000	\$ 97,000	\$ 100,000	\$ 97,000	\$ 100,000	\$ 100,000	\$ 100,000
Less FDIC or NCUSIF coverage	100,000	97,000	97,000	100,000	97,000	100,000	97,000	100,000	100,000	100,000
	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
50% collateral requirement	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Pledged securities (1), (2), (3), (4), (5), (6)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Pledged securities in the County's name held by the Federal Reserve

- Other Letter of Credit
- (1) FHLMC, 5.0%, matures October 1, 2012
- (2) FHLMC, 4.00%, matures August 15, 2014
- (3) GNMA, 5.63% matures February 20, 2016
- (4) FHR, 4.00%, matures October 15, 2018
- (5) FNMA, 5.00%, matures January 1, 2019
- (6) FHR, 4.50%, matures July 15, 2023

\$	-	\$	-	\$	-	\$	-	\$	-	\$

Schedule of Pledged Collateral (Continued)

June 30, 2008

	MarqBank	Mercantile Bank of Michigan	Merrick Bank	Lone Star National Bank	Nature Coast Bank	OMNI National Bank	Riverside		Signature Bank	
							Paragon Commercial Bank	Gulf Coast Bank		Riverside NB Bank
Total amount of deposits (bank balances)	\$ 99,000	\$ 100,000	\$ 97,000	\$ 97,000	\$ 97,000	\$ 99,000	\$ 97,000	\$ 97,000	\$ 100,000	
Less FDIC or NCUSIF coverage	99,000	100,000	97,000	97,000	97,000	99,000	97,000	97,000	100,000	
	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
50% collateral requirement	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
Pledged securities (1), (2), (3), (4), (5), (6)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
Pledged securities in the County's name held by the Federal Reserve										
Other Letter of Credit										
(1) FHLMC, 5.0%, matures October 1, 2012	-	-	-	-	-	-	-	-	-	-
CUSIP 31283KPC6	-	-	-	-	-	-	-	-	-	-
(2) FHLMC, 4.00%, matures August 15, 2014	-	-	-	-	-	-	-	-	-	-
CUSIP 31393F6H2	-	-	-	-	-	-	-	-	-	-
(3) GNMA, 5.63% matures February 20, 2016	-	-	-	-	-	-	-	-	-	-
CUSIP 36202KAC9	-	-	-	-	-	-	-	-	-	-
(4) FHR, 4.00%, matures October 15, 2018	-	-	-	-	-	-	-	-	-	-
CUSIP 31394L7G1	-	-	-	-	-	-	-	-	-	-
(5) FNMA, 5.00%, matures January 1, 2019	-	-	-	-	-	-	-	-	-	-
CUSIP 31371LJW0	-	-	-	-	-	-	-	-	-	-
(6) FHR, 4.50%, matures July 15, 2023	-	-	-	-	-	-	-	-	-	-
CUSIP 31394YP24	-	-	-	-	-	-	-	-	-	-
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

STATE OF NEW MEXICO
SANTA FE COUNTY

Schedule of Pledged Collateral (Continued)

June 30, 2008

	Southern Community Bank	State Employees Credit Union	Vanguard Bank & Trust	Wachovia Bank	Washington Mutual Bank	Wells Fargo Bank
Total amount of deposits (bank balances)	\$ 100,000	\$ 100,000	\$ 97,000	\$ 97,000	\$ 97,000	\$ 100,000
Less FDIC or NCUSIF coverage	100,000	100,000	97,000	97,000	97,000	100,000
	N/A	N/A	N/A	N/A	N/A	N/A
50% collateral requirement	N/A	N/A	N/A	N/A	N/A	N/A
Pledged securities (1), (2), (3), (4), (5), (6)	N/A	N/A	N/A	N/A	N/A	N/A
Pledged securities in the County's name held by the Federal Reserve						
Other Letter of Credit	-	-	-	-	-	-
(1) FHLMC, 5.0%, matures October 1, 2012 CUSIP 31283KPC6	-	-	-	-	-	-
(2) FHLMC, 4.00%, matures August 15, 2014 CUSIP 31395F6H2	-	-	-	-	-	-
(3) GNMA, 5.63% matures February 20, 2016 CUSIP 36202KAC9	-	-	-	-	-	-
(4) FHR, 4.00%, matures October 15, 2018 CUSIP 31394L7G1	-	-	-	-	-	-
(5) FNMA, 5.00%, matures January 1, 2019 CUSIP 31371LJW0	-	-	-	-	-	-
(6) FHR, 4.50%, matures July 15, 2023 CUSIP 31394YP24	-	-	-	-	-	-
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

	Bank Balance
In Summary	
Insured	\$ 3,456,804
Collateralized	
Collateral held by third party in the County's name or letter of credit issued in the County's name	33,926,479
	<u>\$ 37,383,283</u>

STATE OF NEW MEXICO
SANTA FE COUNTY

Exhibit J-1
Page 1 of 4

Financial Data Schedule

June 30, 2008

FDS Line Item No.	ASSETS	Low Rent Public Housing	Housing Services	Section 8 Vouchers	CFP Program	Home Sales	Total
	Current Assets:						
111.0	Cash	\$ 1,848,274	\$ -	\$ 684,499	\$ -	\$ 4,318,966	\$ 6,851,739
114.0	Cash - Tenant Security Deposits	69,559	-	93,746	-	-	163,305
	Accounts Receivable:						
121.0	PHA Projects	-	-	-	270,831	-	270,831
122.0	HUD Other Projects	-	-	-	-	-	-
125.0	Miscellaneous	-	-	19,443	-	-	19,443
126.0	Tenants - Dwelling Rents	217,387	-	-	-	-	217,387
	Allowance for Doubtful Accounts:						
126.1	Dwelling Rents	(151,164)	-	-	-	-	(151,164)
126.2	Other	-	-	-	-	-	-
144.0	Interprogram Due From	-	-	-	-	-	-
145.0	Assets held for sale	-	-	-	-	568,575	568,575
150.0	Total current assets	1,984,056	-	797,688	270,831	4,887,541	7,940,116
	Property and Equipment:						
161.0	Land	611,595	-	-	-	-	611,595
162.0	Buildings	6,097,266	-	-	-	-	6,097,266
163.0	Furniture, Equipment & Machinery	441,434	-	-	-	-	441,434
166.0	Less Accumulated Depreciation	(3,891,145)	-	-	-	-	(3,891,145)
160.0	Total property and equipment	3,259,150	-	-	-	-	3,259,150
	Mortgage receivable	-	-	-	-	174,817	174,817
190.0	TOTAL ASSETS	\$ 5,243,206	\$ -	\$ 797,688	\$ 270,831	\$ 5,062,358	\$ 11,374,083

STATE OF NEW MEXICO
SANTA FE COUNTY

Exhibit J-1
Page 2 of 4

Financial Data Schedule (Continued)

June 30, 2008

FDS Line Item No.	LIABILITIES AND FUND EQUITY	Low Rent Public Housing	Housing Services	Section 8 Vouchers	CFP Program	Home Sales	Total
312.0	Liabilities:						
	Current Liabilities:						
321.0	Accounts Payable <=90 Days	\$ 459	\$ -	970	\$ 28,176	\$ 3,777	\$ 33,382
341.0	Accrued Wage/Payroll Taxes Payable	21,280	-	-	-	-	21,280
342.0	Tenant Security Deposits	69,559	-	93,746	-	-	163,305
343.0	Deferred Revenue	-	-	-	-	174,817	174,817
344.0	Current Portion of Long-Term Debt	129,020	-	-	-	-	129,020
345.0	Other Current Liabilities	-	-	-	231,623	-	231,623
346.0	Accrued Liabilities - Other	-	-	-	-	-	-
347.0	Interprogram Due To	-	-	-	-	-	-
310.0	Total current liabilities	220,318	-	94,716	259,799	178,594	753,427
351.0	Long-Term Debt, Net of Current	-	-	-	-	-	-
350.0	Total Noncurrent Liabilities	10,656,825	-	-	-	-	10,656,825
300.0	Total liabilities	10,877,143	-	94,716	259,799	178,594	11,410,252
508.1	Fund Equity:						
509.1	Invested in Capital Asset, Net of Related Debt	(7,526,695)	-	-	-	-	(7,526,695)
510.0	Reserved for Encumbrances	-	-	24,534	35,596	-	60,130
512.1	Reserved for Capital	-	-	-	(24,564)	-	-
	Unrestricted Net Assets	1,892,758	-	678,438	-	4,883,764	7,430,396
513.0	Total fund equity	(5,633,937)	-	702,972	11,032	4,883,764	(36,169)
600.0	TOTAL LIABILITIES AND FUND EQUITY	\$ 5,243,206	\$ -	\$ 797,688	\$ 270,831	\$ 5,062,358	\$ 11,374,083

STATE OF NEW MEXICO
SANTA FE COUNTY

Exhibit J-1
Page 3 of 4

Financial Data Schedule (Continued)

June 30, 2008

FDS Line Item No.		Low Rent Public Housing	Housing Services	Section 8 Vouchers	CFP Program	Home Sales	Total
Operating Revenues:							
703.0	Net Tenant Rental Revenue	\$ 393,025	\$ -	\$ -	\$ -	\$ -	\$ 393,025
706.0	HUD PHA Grants	452,898	-	2,379,565	303,647	-	3,136,110
706.1	Capital Grants	-	-	-	-	-	-
	Sale of homes	-	-	-	-	169,974	169,974
711.0	Investment Income - Unrestricted	-	-	17,995	-	-	17,995
715.0	Other Revenue	211,516	-	35,738	-	-	247,254
716.0	Gain/Loss on Sale of Fixed Assets	-	-	-	-	-	-
720.0	Investment Income - Restricted	-	-	-	-	-	-
700.0	Total operating revenues	<u>1,057,439</u>	<u>-</u>	<u>2,433,298</u>	<u>303,647</u>	<u>169,974</u>	<u>3,964,358</u>
Operating expenses:							
911.0	Administrative Salaries	423,886	-	126,736	40,000	-	590,622
912.0	Auditing Fees	14,000	-	5,550	-	-	19,550
915.0	Employee Benefit Contributions - Administrative	175,338	-	42,106	-	-	217,444
916.0	Other Operating - Administrative	47,872	-	6,000	-	-	53,872
921.0	Tenant Services - Salaries	-	-	-	-	-	-
923.0	Employee Benefit Contributions - Tenant Services	-	-	-	-	-	-
924.0	Tenant Services - Other	-	-	-	-	-	-
931.0	Water	75,408	-	-	-	-	75,408
932.0	Electricity	19,844	-	-	-	-	19,844
933.0	Gas	11,944	-	-	-	-	11,944
938.0	Other Utilities Expense	67,362	-	-	-	-	67,362
	Cost of Sales	-	-	-	-	135,444	135,444
Ordinary Maintenance and Operations:							
941.0	Labor	-	-	-	-	-	-
942.0	Materials and Other	59,734	-	-	-	-	59,734
943.0	Contract Costs	6,870	-	-	-	-	6,870
945.0	Employee Benefit Contributions	-	-	-	-	-	-
952.0	Protective Services - Other Contract Costs	-	-	-	-	-	-
General Expenses:							
961.0	Insurance Premiums	44,750	-	-	-	-	44,750
962.0	Other General Expenses	13,656	-	-	113,136	241,153	367,945
964.0	Bad Debt - Tenant Rents	-	-	-	-	-	-
966.0	Bad Debt - Other	-	-	-	-	-	-
967.0	Interest expense	336,855	-	-	-	-	336,855
969.0	Total operating expenses	<u>1,297,519</u>	<u>-</u>	<u>180,392</u>	<u>153,136</u>	<u>376,597</u>	<u>2,007,644</u>
970.0	Excess operating revenues over operating expenses	<u>(240,080)</u>	<u>-</u>	<u>2,252,906</u>	<u>150,511</u>	<u>(206,623)</u>	<u>1,956,714</u>
Non Operating Expenses:							
973.0	Housing Assistance Payments	-	-	1,617,208	-	-	1,617,208
974.0	Depreciation Expense	68,113	-	-	-	-	68,113
	Total non operating expenses	<u>68,113</u>	<u>-</u>	<u>1,617,208</u>	<u>-</u>	<u>-</u>	<u>1,685,321</u>
900.0	Total Expenses	<u>1,365,632</u>	<u>-</u>	<u>1,797,600</u>	<u>153,136</u>	<u>376,597</u>	<u>3,692,965</u>
1001.0	Other financing sources - transfer in	103	-	-	91,561	2,057,034	2,148,698
1002.0	Other financing use - transfer out	-	(2,057,034)	-	(150,000)	-	(2,207,034)
1008.0	Special items - capital contributions, net	-	-	-	-	-	-
1000.0	Excess (Deficiency) of Operating Revenues over (under) Expenses	<u>\$ (308,090)</u>	<u>\$ (2,057,034)</u>	<u>\$ 635,698</u>	<u>\$ 92,072</u>	<u>\$ 1,850,411</u>	<u>\$ 213,057</u>

**STATE OF NEW MEXICO
SANTA FE COUNTY**

Exhibit J-1
Page 4 of 4

Financial Data Schedule (Continued)

June 30, 2008

FDS Line Item No.	Low Rent Public Housing	Housing Services	Section 8 Vouchers	CFP Program	Home Sales	Total
Memo Account Information						
1103.0 Beginning Equity	\$ (5,325,847)	\$ 2,057,034	\$ 67,274	\$ (81,040)	\$ 3,033,353	\$ (249,226)
1120.0 Unit Months Available	2,292	-	2,892	-	-	5,184
1121.0 Number of Unit Months Leased	2,142	-	2,668	-	-	4,810

**STATE OF NEW MEXICO
SANTA FE COUNTY**

Exhibit K-1

Supplemental Schedule of Expenditures of Federal Awards

Year Ended June 30, 2008

Federal Grantor/Program Title	Federal CFDA Number	Accrued Revenue (Deferred Revenue due to Fed Agency) at June 30, 2007	Receipts	Expenditures	Accrued Revenue (Deferred Revenue due to Fed Agency) at June 30, 2008
Direct Assistance					
U.S. Department of Housing and Urban Development					
CFP *	14.872	\$ 407,260	\$ 440,076	\$ 303,136	\$ 270,320
Section 8 Voucher *	14.871	(38,848)	2,228,297	1,797,600	(469,545)
Low rent subsidy *	14.850	-	452,898	452,898	-
Total U.S. Department of Housing and Urban Development		<u>368,412</u>	<u>3,121,271</u>	<u>2,553,634</u>	<u>(199,225)</u>
U.S. Department of Justice:					
Home for Good - JAG	16.unknown	(175)	-	-	(175)
Bureau of Justice Assistance-(SCAAP)	16.606	-	109,940	109,940	-
Total U.S. Department of Justice		<u>(175)</u>	<u>109,940</u>	<u>109,940</u>	<u>(175)</u>
Office of National Drug Control Policy:					
High Intensity Drug Trafficking Area (HIDTA)	16.unknown	212,402	250,925	259,206	220,683
U.S. Department of Health & Human Services					
Craft Grant	93.230	11,533	11,533	-	-
Access to Recovery	93.243	-	15,321	15,321	-
Total U.S. Department of Health & Human Services		<u>11,533</u>	<u>26,854</u>	<u>15,321</u>	<u>-</u>
U.S. Department of Education - Life Skills	84.255A	128,685	166,070	93,070	55,685
U.S. Environmental Protection Agency - Water Quality Protection	66.unknown	49,445	49,445	-	-
Total Direct Assistance		<u>770,302</u>	<u>3,724,505</u>	<u>3,031,171</u>	<u>76,968</u>
Pass Through Entity Identifying Number					
Pass through					
Department of Transportation - Traffic Safety pass through from New Mexico Department of Transportation	04-CD-31-081	20.600	40,377	47,565	7,188
U.S. Forest Service pass through from Department of Finance and Administration (DFA)	10.unknown	-	42,743	42,743	-
U.S. Forest Service - Payment in lieu of taxes pass through from DFA	10.unknown	-	431,194	431,194	-
U.S. Forest Service - Grazing payment pass through from DFA	10.unknown	(5,584)	880	-	(6,464)
U.S. Forest Service - Wildlife Education pass through from DFA	10.unknown	-	58,915	45,555	(13,360)
U.S. Forest Service: HAZMAT	10.unknown	5,543	30,000	25,662	1,205
Department of Transportation pass through Energy, Minerals & Natural Resources: National Recreational Trails	20.unknown	42,659	-	-	42,659
U.S. Department of Justice: Region III grant pass through from New Mexico Department of Public Safety	04-DCSI	16.579	57,395	267,963	217,834
Rural Law Enforcement pass through from New Mexico Department of Public Safety	07-116	16.579	-	-	-
U.S. Department of Homeland Security pass through from N.M. Department of Public Safety *	2005 GE-TS-0012	97.004	751,543	612,507	190,872
U.S. Department of Homeland Security pass through from N.M. Department of Public Safety	2007-EM-E7-0035	97.042	-	137,962	137,962
U.S. Department of Education pass through from N.M. Department of Education Student Nutrition *	10.555	-	75,930	112,496	36,566
Total pass through assistance		<u>891,933</u>	<u>1,705,659</u>	<u>1,211,506</u>	<u>397,780</u>
Total assistance to County		<u>\$ 1,662,235</u>	<u>\$ 5,430,164</u>	<u>\$ 4,242,677</u>	<u>\$ 474,748</u>
Housing Services - Notes Payable to HUD:					
Loan Balance at July 1, 2007		\$ 4,948,443			
Forgiven principal in current period		(121,101)			
Loan Balance at June 30, 2008		<u>\$ 4,827,342</u>			

*Major federal financial assistance program

STATE OF NEW MEXICO
SANTA FE COUNTY

Notes to Supplemental Schedule of Expenditures of Federal Awards

June 30, 2008

General

The accompanying Supplemental Schedule of Expenditures of Federal Awards presents the activity of all federal financial assistance programs of the State of New Mexico, Santa Fe County (the County).

Basis of Accounting

The accompanying Supplemental Schedule of “Expenditures of Federal Awards is presented using the modified accrual basis of accounting, which is described in note 1 to the County’s financial statements. The County does not grant federal funds to sub-recipients. The only non-cash federal assistance received is the forgiveness of the HUD debt of \$121,011 and interest of \$80,706 recorded in the Housing Services enterprise fund.

Relationship to Governmental Fund Financial Statements

	CFDA#	Amount
U.S. Department of Housing and Urban Development (HUD) Revenue:		
Section 8 voucher	14.871	\$ 1,797,600
CFP Program	14.872	303,136
Low rent subsidy accounted for in Housing Services Enterprise Fund	14.850	452,898
U.S. Department of Transportation:		
Traffic Safety accounted for in the General fund	20.600	7,188
U.S. Department of Homeland Security		
pass through from Department of Public Safety accounted in EMS Health Care Fund	97.004	190,872
U.S. Department of Homeland Security		
pass through from NM Department of Public Safety	97.042	137,962
U.S. Forest Service - Wildlife Education		
pass through from DFA	10.unknown	45,555
U.S. Forest Service pass through accounted for in the Road Maintenance	10.unknown	42,743
U.S. Forest Service pass through accounted for in the General Fund	10.unknown	431,194
U.S. Forest Service: Hazmat accounted for in the General Fund	10.unknown	25,662
U.S. Department of Justice revenue:		
Region III accounted for in the General Fund	16.579	217,834
SCAAP accounted for in the Jail Facility Fund	16.606	109,940
Office of National Drug Control Policy		
HIDTA accounted for in the General Fund	16.unknown	259,206
U.S. Department of Education: Life Skills	84.255A	93,070
U.S. Department of Health and Human Services		
Access to Recovery accounted for in the Detox Fund	93.243	15,321
U.S. Department of Education - Student Nutrition accounted for in the Jail Facility fund	10.555	112,496
Total federal revenue		\$ 4,242,677

"23 Years of Excellence"



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Sandra M. Shell, C.P.A./A.B.V., C.V.A.
Joseph A. Sisneros, C.P.A.

Managers
Douglas W. Fraser, C.P.A.
Laura Parker, C.P.A.
Rick W. Reynolds, C.P.A.
Katherine M. Rowe, C.P.A.
Tracy Ann Stoddart, C.P.A. *
Rhonda G. Williams, C.P.A.

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH
REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL
CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-1 33

Mr. Hector H. Balderas, State Auditor
and
County Commissioners of the
State of New Mexico, Santa Fe County:

Compliance

We have audited the compliance of the State of New Mexico, Santa Fe County (the County) with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2008. The County's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the County's management. Our responsibility is to express an opinion on the County's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the County's compliance with those requirements.

In our opinion, the County complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2008.

Internal Control Over Compliance

The management of the County is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the County's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the County's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the County's internal control.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the County Commissioners, County's management, State of New Mexico Office of the State Auditor, New Mexico Department of Finance and Administration, federal awarding agencies, pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



November 5, 2008

STATE OF NEW MEXICO
SANTA FE COUNTY

Schedule of Findings and Questions Costs

Year Ended June 30, 2008

A. SUMMARY OF AUDIT RESULTS

1. The auditors' report expresses an unqualified opinion on the financial statements of the State of New Mexico, Santa Fe County (the County).
2. The significant deficiencies relating to the audit of the financial statements are reported in the Memorandum on Accounting Procedures and Internal Controls as findings 06-01, 06-02 and 07-01.
3. No current year instances of noncompliance material to the financial statements of the County were disclosed during the audit.
4. There are no significant deficiencies disclosed during the audit of the major federal award programs as reported in the Independent Auditors' Report on Compliance with requirements applicable to each major Program and Internal Control over Compliance in Accordance with OMB Circular A-133.
5. The auditors' report on compliance for the major federal award programs for the County expresses an unqualified opinion.
6. There were no audit findings required to be reported in accordance with Section 510(a) of the OMB Circular A-133.
7. The programs tested as major programs included:

	<u>CFDA#</u>
◦ CFP	14.872
◦ Section 8 Voucher	14.871
◦ Low Rent Subsidy	14.850
◦ Emergency Preparedness	97.004
◦ Student Nutrition	10.555
8. The threshold for distinguishing Types A and B programs were programs having expenditures greater than \$300,000.
9. The County was determined as a low-risk auditee.

B. FINDINGS - FINANCIAL STATEMENTS AUDIT

See Memorandum on Accounting Procedures and Internal Controls

STATE OF NEW MEXICO
SANTA FE COUNTY

Schedule of Findings and Questions Costs (Continued)

Year Ended June 30, 2008

C. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARDS PROGRAMS
AUDIT

None

D. FOLLOW UP ON PRIOR YEAR SINGLE AUDIT FINDINGS

None

"23 Years of Excellence"



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Sandra M. Shell, C.P.A./A.B.V., C.V.A.
Joseph A. Sisneros, C.P.A.

Managers

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Rick W. Reynolds, C.P.A.
Katherine M. Rowe, C.P.A.
Tracy Ann Stoddart, C.P.A.*
Rhonda G. Williams, C.P.A.

REPORT ON EXTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

Mr. Hector H. Balderas, State Auditor
and
County Commissioners of the
State of New Mexico, Santa Fe County

We have audited the basic financial statements of the governmental activities, the business type activities, each major fund and the aggregate remaining fund information, as listed in the table of contents of the State of New Mexico, Santa Fe County (the County) as of and for the year ended June 30, 2008, and have issued our report thereon dated November 5, 2008. We have also audited the financial statements of each of the County's non major governmental and fiduciary funds and budgetary comparisons presented as supplementary information in the accompanying combining and individual fund financial statements and schedules as of and for the year ended June 30, 2008, as listed in the table of contents. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the County's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

(Continued)

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the County's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the County's financial statements that is more than inconsequential will not be prevented or detected by the County's internal control. We consider the deficiencies described in the accompanying Memorandum on Accounting Procedures and Internal Controls to be significant deficiencies in internal control over financial reporting. The significant deficiencies are described in 06-01, 06-02, and 07-01.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the County's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe that none of the significant deficiencies described above are a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance that is required to be reported under *Government Auditing Standards* as finding 07-01. We noted certain matters that are required to be reported under *Government Auditing Standards*, paragraphs 5.14 and 5.16 and section 12-6-5 NMSA 1978 which are described in the accompanying Memorandum on Accounting Procedures and Internal Controls as finding 07-02.

The County's response to the findings identified in our audit is described in the accompanying Memorandum on Accounting Procedures and Internal Controls. We did not audit the County's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the County Commissioners, the County's management, State of New Mexico Office of the State Auditor, New Mexico Department of Finance and Administration, federal awarding agencies, pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



November 5, 2008

STATE OF NEW MEXICO
SANTA FE COUNTY

Memorandum on Accounting Procedures and Internal Controls (Continued)

June 30, 2008

Significant Deficiency for the Applicable Funds 06-01 Decentralized Accounting

Statement of Condition

Many of the accounting transactions originate outside the Finance Department. This increases the risk that transactions may not be recorded timely or correctly. For example, the following transactions had to be adjusted for during the audit:

- A \$100,700 affordable housing mortgage was made during February 2007 and became delinquent during May 2007. When the house was foreclosed during January 2008 and the County only received \$1 for its second mortgage. The first mortgage holder received all of their funds (approximately \$154,000) as the buyer did not have to pay the value of the County's second mortgage. Thus, the County incurred a loss on its second mortgage. The appraised value for this property per the County Assessor's Office is approximately \$255,000.
- Several special revenue funds did not have timely grant billing to their respective grantor agencies. In addition, the collection of receivables has not been timely resulting in large past due balances in receivables such as the ambulance billings, utilities billing, housing billings and various grant billings at June 30, 2008.
- Enterprise fund accounting for the utilities, jail, housing and for home sales have grown in complexity and volume of transactions. Also, the enterprise funds did not properly record all GAAP activity until the year-end audit. The County accounts for these enterprise funds on a non-GAAP budgetary basis of accounting but needs to account for these funds on a full accrual basis to reflect activity like a business in its general ledger.
- Cash receipts from the movie industry for police and fire services are not being recorded appropriately. Revenues related to the services provided by the sheriff's department were recorded as a credit to overtime wages and overtime expenses before being adjusted to other revenue as part of the audit. In addition, volunteer fire fighters providing service to the movie industry are being paid as contract workers instead of through the payroll system. Per IRS regulations, regarding classification of workers, payments for services not provided under the emergency worker exclusion are considered wages and are subject to payroll taxes.
- The County's current Recovery Plan is only for the County Fileserver (AS400) and does not include the subsidiary locations such as the jail, housing, water, etc. There is also no written plan in place for how tape backups are going to be restored if the whole fileserver system is incapacitated

Criteria

- The County's second mortgage lien position can be protected by bidding for the property during the foreclosure process.
- Accounting transactions including payments and receipts from the services provided to the movie industry that originate outside the Finance Department need to be recorded properly and timely and have adequate supporting documentation. Receivables need to be billed and collected timely.

STATE OF NEW MEXICO
SANTA FE COUNTY

Memorandum on Accounting Procedures and Internal Controls (Continued)

June 30, 2008

Significant Deficiency for the Applicable Funds 06-01 Decentralized Accounting (Continued)

Criteria (Continued)

- The Finance Department needs to be notified of contracts that originate outside the department to ensure that all transactions are properly recorded and that all regulations are being properly adhered to.
- If the County has a disaster they must be ready to respond quickly and adequately to ensure critical services are not interrupted.

Effect

- If the County does not protect its second lien mortgage position, it will have additional losses on its mortgage holdings.
- Certain transactions have not been recorded properly until the year-end audit process.
- The County is not in compliance with IRS regulations.
- If the County has a disaster they do not have a plan in place to respond quickly and adequately to ensure all critical services are not interrupted.

Cause

- The County has no policy or procedures in place on how to protect its second mortgage interests during a foreclosure sale.
- Certain accounting transactions and contracts are originated by departments outside of the Finance Department.
- Lack of Management planning and preparedness for all computer subsidiary locations.

Recommendation

To ensure that all accounting transactions are recorded properly and financial statements can be prepared in accordance with GAAP and budgetary purposes, the accounting and reporting functions must be improved. The County should implement the following recommendations:

- A policy on protecting the County's second mortgage position needs to be developed. The County also needs to determine if a defaulted affordable mortgage meets the developers quota for affordable housing.
- The County internal audit position should be used to audit accounting transactions that originate outside the control of the Finance Department and revenue generating functions such as property tax, movie industry services, ambulance billing, road projects, franchise fees, and jail operations. Interest should routinely be charged on overdue receivables.

STATE OF NEW MEXICO
SANTA FE COUNTY

Memorandum on Accounting Procedures and Internal Controls (Continued)

June 30, 2008

Significant Deficiency for the Applicable Funds 06-01 Decentralized Accounting (Continued)

Recommendation (Continued)

- We recommend that all accounts receivable billings and revenue recording be the responsibility of the Finance Department. Past due receivables need more timely collection efforts throughout the year and interest charged on past due accounts.
- Enterprise fund activity needs to be recorded on a full accrual basis during the year to better reflect the financial status of these funds.
- The County needs to update their Disaster Recovery Plan to encompass all of their subsidiary locations, e.g. jail, water, housing, etc. The plan should also include specific steps to be taken not only to backup and preserve data, but also to restore the data in the event of a disaster.

Management Response

The County is currently conducting an annual review of the Ordinance that may result in additional amendments to address this issue. The finance staff will meet with the Affordable Housing Director to ensure that the County continues to protect its interest in these mortgages. Housing staff is currently developing internal policies for the handling of foreclosures to ensure that the County does not lose any additional affordable housing units.

Staff of the Finance Division will continue to work with the Public Works Division staff to ensure the processing of timely billings by meeting regularly with staff for project status updates and providing the necessary financial documentation to submit the reimbursement requests and a designated finance staff member will have oversight responsibility to ensure the timely processing of billings. The new staff of the Public Works Division has been trained both internally and by staff of the Department of Transportation for the preparation of timely reimbursement requests. Billing staff have been trained that billings should be done monthly and at a minimum quarterly versus one large billing at year-end or upon completion of the project. Finance Division staff has worked closely with other department staff to ensure timely billings. Some billings had been rejected by the Department of Transportation resulting in the delay of reimbursements by 90 days. The finance staff will also work with the Administrative Services Director and the County Manager to facilitate a process whereby all revenue reimbursement requests may be processed and completed timely by the Finance Division resulting in timely revenue recording.

Meetings have been conducted with staff charged with grants, utilities and ambulance billings in an effort to reduce the amount of billings outstanding at fiscal year end. Both in fiscal years 2008 and 2009 mandatory Accounting Manual trainings were held, which included specific discussion on the ambulance, jail and utilities billings for all county staff handling billings.

STATE OF NEW MEXICO
SANTA FE COUNTY

Memorandum on Accounting Procedures and Internal Controls (Continued)

June 30, 2008

Significant Deficiency for the Applicable Funds 06-01 Decentralized Accounting (Continued)

Management Response (Continued)

Immediately upon notification of this finding, the finance staff implemented an internal procedure to address the recording of movie/film revenues. Such revenues will be recorded and budgeted as such upon receipt of revenues and then the corresponding budget entry for expenditures will follow if needed. The finance and legal staff are currently reviewing the fire department for issues related to the employee vs. contractor IRS requirement. The Fire Department considers the services rendered to the movie industry to be outside the scope or job description of a Santa Fe County Fire Department volunteer firefighter and/or emergency medical technician. The Department is not obligated nor is it required under law to provide these ancillary fire and emergency medical services to the movie industry. SFCFD volunteers give freely of their time and energy to serve the citizens of Santa Fe County but not private for profit entities. Thus the fire department contracts with these individuals to provide personal professional services on behalf of the department. County staff is currently researching the treatment of volunteers in light of the disagreeing interpretations between the IRS and the Department of Labor. Staff has also been working with other counties/municipalities to determine the best treatment; the County currently issues 1099's to the volunteers and monitors any income in excess of the \$360 threshold. Staff has also contacted and met with the NM Association of Counties to explore this issue at the national level to assist with the consistent treatment of volunteers nationally.

County staff will implement the full accrual basis for enterprise funds over the next fiscal year. The Finance Division will also coordinate with the Administrative Services Director to ensure that a more appropriate backup plan will be put into place over the next fiscal year. Lastly, the finance staff will coordinate with the IT Director to ensure that all facilities have a Disaster Recovery Plan.

STATE OF NEW MEXICO
SANTA FE COUNTY

Memorandum on Accounting Procedures and Internal Controls (Continued)

June 30, 2008

Significant Deficiency for Cash Controls 06-02

Statement of Condition

The County has made improvements during the year in the cash controls area since last year's audit. However we noted the following items that need improvement.

- The present computer system allows cashiers in the County Treasurer's office to edit a batch and make changes without leaving an audit trail. The County has discussed this problem with their software vendor, and the vendor was not able to modify the software.
- Overages and shortages by cashier or by other departments or locations that accept payments are not recorded on the general ledger.
- The County needs to determine if the employee benefit activities should be directed through another entity (i.e. not for profit).
- We noted that accounts receivable balances have increased from prior year as reflected in footnote #5.
- We noted that some reconciling items from the old computer system of the inmate trust accounts have not been identified by inmate.
- We noted that the Housing security deposit bank account is not being reconciled to the detail ledger of security deposits being held by Housing.

Criteria

- Proper controls over the authorization on accounts and receipt function need to exist at all departments and locations.
- Cash held in trust through agency funds needs to correlate directly with the corresponding party in which the cash was collected
- Proper compensating controls over cash

Effect

- Poor controls can increase the risk of County funds to be misdirected.
- Lack of compensating controls over cash disbursements.

Cause

- Insufficient resources allocated to cash receipt function.

STATE OF NEW MEXICO
SANTA FE COUNTY

Memorandum on Accounting Procedures and Internal Controls (Continued)

June 30, 2008

Significant Deficiency for Cash Controls 06-02 (Continued)

Recommendation

The County should determine if a cash register type of system can be used to allow for better controls of cash receipts. Waived penalties and interest need to be recorded on the general ledger system to maintain an audit trail of amounts waived. Also the amount of cash overages and shortages also need to be recorded on the general ledger. The internal audit function must include in its scope of work cash controls and waived property tax interest and penalties.

The County's internal audit function needs to ensure that no County funds are improperly deposited in the employee benefit account. The County should review if another entity should be used to direct County employee charitable donations.

More emphasis needs to be placed on the collection of overdue accounts receivable balances.

The County should reconcile its Agency accounts monthly to ensure accurate accounting and determine what should be done with the unidentified cash by inmates.

Management Response

Staff continues to research other software options and/or the purchase of cash registers to prevent cashiers of the treasurer's office from editing a batch and making changes without leaving an audit trail. Finance staff will work with the treasurer's office to establish better cash control procedures. Staff is still working to implement an overage/underage recordkeeping process.

The County is still researching whether or not to direct the activities of the employee benefit activities through a non-profit entity. Finance will continue to work with legal staff to resolve this finding during the FY2009.

The finance staff will work together with the Administrative Services Director and the County Manager to ensure that all revenue reimbursement requests become the responsibility of the finance division and removed from the departments.

The finance staff was not included in the computer system conversion and has not been able to reconcile the cash balances to the account detail of the inmate trust accounts due to the negligent conversion process. When the new computer system was implemented at the jail, outstanding inmate balances were not properly transferred from the old system and the reconciliation will be impossible. Finance will work with the Jail staff to dedicate a full-time position to this effort for as long as it takes.

The County has begun reconciling the security and rent deposits by ensuring that the monthly reports generated from the Yardi computer system are tied to the accounts receivable charges entered. The Yardi system reports provide historical detail of security deposits by tenant. The charges generated through the accounts receivable system are then reconciled to the revenue line item to determine an accurate receipt of funds and a segregation of rent from deposits. The accounting system has the capacity to identify the security deposit as such, and place that deposit on hold until the tenant vacates the dwelling unit. A separate payment code was established for security deposits to assist in the tracking and reconciliation of revenue.

STATE OF NEW MEXICO
SANTA FE COUNTY

Memorandum on Accounting Procedures and Internal Controls (Continued)

June 30, 2008

Significant Deficiency for Property Taxes 07-01

Statement of Condition

During our test work and other audit work we noted the following exceptions:

- We noted that 14 out of 20 properties tested did not have updated valuations.

The following items were also noted:

- Intermediate valuations are consistently not being done on properties under construction and building permits are not always being reviewed to catch new additions or modifications.
- Several “Exempt” and “Open Space” properties that do not appear to meet the classification.
- Assessors are not using “comparable sales” to value property
- Files are not being updated within 30 days of a property transfer.
- The County Assessor does not have a formal filing system for capturing correspondence and other forms of communication that would archive the numerous adjustments and issues relative to a property that cannot be accommodated on the property record card.
- The County Assessor is not expending the County Property Valuation Fund strictly for reappraisal purposes.

Criteria

- The County must maintain proper controls and review to ensure that the most current property appraisals are input and updated in the database.

Effect

- The computer system that contains property values from which property taxes are assessed was not updated with the most recent appraisal valuation causing under-taxation of property taxes.

Cause

- Management oversight and insufficient review of most current property valuations being updated in the computer databases.

STATE OF NEW MEXICO
SANTA FE COUNTY

Memorandum on Accounting Procedures and Internal Controls (Continued)

June 30, 2008

Significant Deficiency for Property Taxes 07-01 (Continued)

Recommendation

- The County needs to implement proper controls and oversight to ensure that field derived property appraisals are completed timely and are accurately input into the database.

Management Response

We agree with the findings but not necessarily the manner in which they are worded. The Office of the Santa Fe County Assessor is not in compliance with the Property Tax Code. As reported at every opportunity, there are many properties that are not on the tax rolls and those that are may not have been re-appraised in many years. Our new Computer Assisted Mass Appraisal (CAMA) system will alleviate many of the mundane processes that must be carried out to achieve a Notice of Value. The CAMA system is scheduled to generate the Notices of Value for the 2009 tax year in April 2009.

However, workloads in the Office of the Santa Fe County Assessor's Office continue to hinder the ability of staff to work on backlogs, the new computer system, new legislative mandates and property owner dissatisfaction over their property values through protests. Each of these issues needs time and money appropriated to it that currently exists in extremely limited quantities. For the 2008-2009 budget year, eight additional positions were not funded. It is impossible for this office to reach a point where we will be fully compliant with the Property Tax Code.

The assessor's office currently operates on \$1,163,425 in 1% monies generated from taxing authorities in Santa Fe County and an appropriation of \$1,656,713 in general fund money from the County. For the 2008 tax year collections should be approximately \$136,181,005 for all taxing authorities in Santa Fe County, which includes \$53,125,044 for Santa Fe County alone. The Office of the County Assessor's budget is only 3.1% of the County's property tax collection and only 2% of the total collection for all taxing authorities. This means that for every \$3.10 **invested** in the Office of the County Assessor we could eventually produce \$100 for the County alone given the current tax rates. Because of limited space in this old court house the amount of funds needed for the increase in positions is amplified by the costs associated with infrastructure and other equipment that is needed. Even if the additional \$444,000 asked for in last year's budget request was appropriated, the County's investment would only be 3.95% at the current collection levels and that would eventually produce additional funds to all taxing authorities including Santa Fe County.

Santa Fe County must realize the importance of funding the assessor's office adequately so we can obtain compliance with our statutory mandates, spread the property taxes more equitably among property owners and expand the tax base for future needs.

STATE OF NEW MEXICO
SANTA FE COUNTY

Memorandum on Accounting Procedures and Internal Controls (Continued)

June 30, 2008

Other Findings (Continued)

Disbursements 07-02

Statement of Condition

During our test work of 100 disbursements and during other audit work we noted the following exceptions:

- We noted four instances in which the County overpaid for its purchases by a total of \$55. Overpayments were due to data entry and calculation errors.
- We noted that the gas cards were being used inappropriately. Each card is assigned to a particular vehicle, but the purchases did not reflect this. Specifically:
 - In six instances, a card was used twice within a few minutes with the purchases of fuel indicating fuel purchased for another vehicle.
 - Six cards were assigned to diesel vehicles but gasoline was purchased.
 - In three cases, the odometer readings were not consistent or stayed the same from fill up to fill up.
- We noted that cell phones were being used inappropriately. Of the 10 cell phones tested for one month, 4 had total unallowed charges of \$217, for overages and picture transmissions unrelated to job functions.
- Based on our payroll test work, we noted an employee who reported hours worked far in excess of that approved for the position. This employee also received compensation far in excess of the amount budgeted for the position. The personnel action form signed by the employee and in effect during FY2008 indicates the position to be part-time (20 hours/week), and compensated at a rate of \$130.00/hour. A 3% cost of living adjustment was granted for the position in January, 2008 bringing the rate to \$133.90/hour. The budget for the position was approved for .3 full time equivalents (12 hours/week) for the rate(s) paid, but it appears that the employee worked full time at 80 hours per pay period.
- We noted one instance of a participation form for the POP plan missing from an employee's file. We noted one instance of an employee domestic partner form not properly notarized. We also noted two instances where employee evaluations were not submitted timely.

Criteria

- The County needs to comply with its procurement policies regarding requests for proposals, contractual agreements with vendors, gas card and cell phone usage.
- County policy must be followed regarding the authorization of positions and full time equivalents.
- The County needs to comply with its policies on what forms need to be retained in employees' personnel files and verify that the documents are completed appropriately and timely.

STATE OF NEW MEXICO
SANTA FE COUNTY

Memorandum on Accounting Procedures and Internal Controls (Continued)

June 30, 2008

Other Findings (Continued)

Disbursements 07-02 (Continued)

Effect

- Non compliance with applicable rules and regulations.
- Non-compliance with County policy resulting in 1044 hours worked more than was approved for the position and \$137,030.40 in compensation in excess of the budgeted salary for the position (plus corresponding benefits of \$36,104.82).

Cause

- Insufficient review of invoices and contracts, and/or a misunderstanding as to specific rules and regulations regarding disbursements.
- The employee was permitted to work far beyond the approved number of hours per week.

Recommendation

- All employees involved in the approving and disbursements function should have training regarding the various County requirements on purchasing and disbursements. Also, employees approving disbursements need to closely inspect invoice pricing with regards to contractual amounts. The County must comply with any applicable rules and regulations regarding employee benefits.
- The number of hours worked by the employee and the hourly rate should be limited to the authorized full time equivalent of .3 in the approved budget.

Management Response

The accounting staff successfully completed an overall County-wide Accounting Manual and corresponding mandatory trainings for all field accounting/administrative staff specific to issues noted in this finding. The trainings required (mandatory) attendance for all administrative assistants, field accountants and secretaries that handle contract management and invoicing for their departments and/or offices. The accounts payable staff has also conducted monthly meetings with the same designated staff to reinforce procurement and accounting requirements and to ensure that all new staff receives training as well. The finance staff will continue to work with all county staff as well as the finance staff to ensure more accuracy and quality when processing accounts payable transactions.

Gas cards continue to be an area of focus for the Administrative Services Department. Current internal audit activities include monthly fuel reports to the County Manager that reflect all activity and any inappropriate use of the gas cards so that disciplinary action may be completed. We are also researching other fuel systems for internal fuel usage and other vehicle tracking mechanisms that would assist in the misuse of gas cards. In addition, the finance staff also conducts regular reviews of the Wright Express gas cards in an effort to prevent mis-use and incorrect data entry information at the time of fueling. We will begin providing reports of inappropriate and or poor record entry to the department directors as well.

STATE OF NEW MEXICO
SANTA FE COUNTY

Memorandum on Accounting Procedures and Internal Controls (Continued)

June 30, 2008

Other Findings (Continued)

Disbursements 07-02 (Continued)

Finance staff is currently conducting an internal audit of cell phone usage and completing a final report to the County Manager. The County had already done a reduction to the number of cell phones and the types of cell phones that were issued to staff. The report will result in a detailed listing of respective staff with noted unallowed charges as well as outstanding amounts owed by employees for such things as picture messaging. We are also working with the vendors to block the use of certain cellular service features County-wide such as picture messaging. Lastly, the report will more than likely result in an additional reduction of phones assigned to County employees. The Finance Division is also currently drafting a more restricted cell phone policy for use County-wide.

The Human Resources (HR) Director plans to respond to these findings by doing an audit of all files to ensure paperwork is completed correctly and to pay close attention to all future documents they receive to ensure accuracy. HR staff will be instructed to complete full audits of personnel files for completeness.

The Finance Division raised the issue of the employee exceeding his authorized full time equivalent with the Director of Corrections Department in November of 2007. The Director of the Corrections Department defended her decision to exceed the authorized full time equivalent due to requirements placed on the Corrections Department by the U.S. Department of Justice. The Finance Division along with the Human Resources Division will monitor positions County-wide, to ensure compliance with authorized positions/full time equivalents as well as the personnel budget. The Corrections Department director will utilize the authorized positions/full time equivalents and will request changes to the authorized positions prior to allowing personnel to exceed their authorized budget.

STATE OF NEW MEXICO
SANTA FE COUNTY

Status of Prior Years Audit Findings

June 30, 2008

Status of Prior Year Findings

Decentralized Accounting (06-01)	Modified and reported as finding 06-01
Cash Controls (06-02)	Modified and reported as finding 06-02
Capital Assets (06-03)	Resolved
Property Taxes (07-01)	Modified and reported as finding 07-01
Disbursements (07-02)	Modified and reported as finding 07-02
Reporting (07-03)	Resolved

STATE OF NEW MEXICO
SANTA FE COUNTY

EXIT CONFERENCE

An exit conference was held on November 13, 2008 to discuss the audit report and current and prior year findings. Those in attendance were as follows:

Santa Fe County:

Harry Montoya, County Commissioner
Teresa Martinez, Finance Director
Helen Perraglio, Accounting Oversight Manager
Roman Abeyta, County Manager
Victor Montoya, Treasurer
Domingo P. Martinez, County Assessor
Victor P. Baca, Assessor
Dodi Salazar, Housing Services Director
Douglas Sayre, PWD Water/Wastewater Operations Manager
Millie Valdivia, PWD Water/Wastewater Operations
Peter Garcia, ASD Director

Bairaclough & Associates, P.C:

John E. Barracough Jr., Managing Principal
Douglas Fraser, Audit Manager
Joyce Pohl, Audit Supervisor

We acknowledge the courtesy and assistance extended to us during the course of the audit. Should you desire to discuss any of the matters further, please do not hesitate to contact us.

The financial statements were prepared by Barracough & Associates, P.C. and Santa Fe County personnel from the books and records of Santa Fe County.